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HOUSE OF COMMONS

Friday, March 21, 1975

The House met at 11 a.m.

[*English*]

HOUSE OF COMMONS

DELAY IN DISTRIBUTION OF YESTERDAY'S "HANSARD"

Mr. Speaker: Order, please. Hon. members will have noticed that their edition of *Hansard* is not on their desks. I should explain that a combination of factors have contributed to a delay in *Hansard* this morning, perhaps the most important of which is computer difficulty. It is expected that *Hansard* will be distributed at about noon today.

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PRIVILEGE

MR. WOOLLIAMS—PROCEDURE IN DEALING WITH SUPPLY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise on a very important question of privilege affecting parliament and therefore the privileges of every member of parliament. I think all members will agree with me that one of the most important functions of parliament, and therefore the duty and responsibility of a member of parliament, is to scrutinize—question, as it were—and interrogate the government in reference to estimated expenditures of the various departments of government. This responsibility becomes more important to members who are not supporters of the government. I make nothing of that except to point out that the duty and responsibility of opposition members must be to make certain that careful scrutiny of expenditures is carried out.

Every member of parliament has a mandate to make certain that taxpayers' money is spent wisely, correctly, and according to the law. I am well aware that the new rules change the method of considering the estimates, but I do not interpret the rules to mean that the government can bring forward a bill a few seconds before they ask for interim supply as set out in clause 2 of the bill, appropriating certain sums of money for the public service for the financial year ending March 31, 1976, in the amount of $4,603,596,900.59.

I understand the rule is that once a motion for supply is put—and I shall refer to that in a moment—as it was last evening, and voted upon, the government can then ask for interim supply. I have no argument with that. I am well aware that if the bill is properly presented and is prepared according to the rules of this House, the rules say there can be no debate. However, the Chairman of the committee of supply of the whole House stated that we could ask questions: questions were asked by my colleague, the hon. member for York-Simcoe (Mr. Stevens), and they were disallowed and no answers were given.

I question very strongly whether—when you read clause 2 of the bill in question and then the details of how the $4,603,596,900 is made up—that the government can ask for three-twelfths of the estimates and then ask for additional sums of money on top of that. What I am saying—and I want to drive home the point, with the greatest respect—is that the government asks for interim supply, as it can, of three-twelfths of the total estimates. I want to emphasize that even when the government does that, none of those estimates are first fully considered by the standing committees. However, they ask for the approval of eight-twelfths of the total amount in several items in schedule A. Let us consider one of these items. They ask for a loan of $135 million for the CNR. If you add three-twelfths to eight-twelfths, you come up with eleven-twelfths. In other words, through the method of interim supply they receive the approval of the House for almost twelve-twelfths of the item in schedule A without the item first being given full consideration by the appropriate standing committee considering the taxpayers' money.

● (1110)

That is why many of us were wrought up last night, and so we should have been. The taxpayers of this nation expect us to be angry.

Some hon. Members: Hear, hear!

Mr. Woolliams: I ask, was this done because the government did not want the committee to examine the reasons for that loan? All this was done prior to the estimates being considered by the appropriate standing committee. Surely no rules of the House were devised to mean that the government should be given control of all the money through interim supply without the committees first examining the estimates.

Law is not an exact science: I have stood in every court in this land and I know that that is so. Some people say a rule means this, and others say it means that. The rules that were devised are supposed to be reasonable and workable. I ask, what happened last night? As I said, I believe the government has a right to ask for interim supply, but not by this method of presenting an additional amount such as I pointed out in respect of the item for the CNR, and many other items. I do not want to take up too much time of the House on this. All I will say is that I believe the rules of the House were breached last night, thus affecting my privileges and the privileges of every member of parliament who has a mandate from the taxpayers of Canada.

Standing Order 58(10) reads as follows:

If the motion under consideration at the hour of interruption is a no-confidence motion, the Speaker first shall put forthwith, without further debate or amendment, every question necessary to dispose of that proceeding, and forthwith thereafter put successively, without

debate or amendment, every question necessary to dispose of any item of business relating to interim supply—

I find nothing wrong with that rule. The government can ask for interim supply, but surely they cannot ask for 100 per cent of the estimates. That rule has been read very often; maybe it is the only protection for the taxpayers. Standing Order 82(2) reads as follows:

In order to give effect to the purposes and provisions of section 3 of the Canadian Bill of Rights, it is the duty of the Clerk to cause to be delivered to the Minister of Justice two copies of every bill introduced in or presented to the House of Commons, forthwith after the introduction in or presentation to the House of such bill.

They must have had roller-skates on last night to have been able to run with that bill to the Minister of Justice (Mr. Lang), because it was put to the House two seconds before the debate was allowed. Mr. Speaker, I have never been more sincere in my life than I am now, and if you feel I have a proper question of privilege I ask you to consider a motion to refer this matter to the Standing Committee on Privileges and Elections.

Mr. Speaker: I also have notice of a question of privilege from the hon. member for York-Simcoe (Mr. Stevens). It is not identical to the one just put forward by the hon. member for Calgary North (Mr. Woolliams) but it is on the same general subject. In the interest of orderliness it might be appropriate to ask the hon. member for York-Simcoe to develop his question of privilege.

MR. STEVENS—RIGHT OF MEMBERS TO VOTE SUPPLY AND SET CEILING ON GOVERNMENT BORROWINGS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I also rise on a question of privilege which concerns the most important and fundamental privilege of members of the House. I refer to the exclusive right of hon. members to vote supply and to set a ceiling on the amounts that may be borrowed at any time by the government. On December 11 of the last year I rose on a question of privilege concerning the procedure then adopted which gave the government power to raise a further $2.5 billion in loans. With respect, I would refer to what was said at that time, beginning at page 2143 of *Hansard*. At that time the President of the Privy Council (Mr. Sharp) stated:

—I want to make it clear that I am not defending the procedure that was followed. I hope we can avoid this sort of thing in future.

Subsequently, Your Honour stated:

I would only add that the comments of the President of the Privy Council must be taken, if not as a clear undertaking, at least as very close to an undertaking tantamount to the previous one that the hon. President of the Privy Council was good enough to give to the chamber, that is that the supply procedures would be examined by the procedure committee and furthermore the procedures contained in the actual supply bill, being as it is under a very severe guillotine with regard to amendment and debate, would also be taken under consideration by that committee and certainly that is something for which we would hope.

In last evening's debate there was a further $4 billion in loans authorized by the passage of Bill C-55. Since 1967, total loans or liabilities of the Government of Canada have increased by $24 billion, from a total of $32 billion to $56 billion, yet there has never been any comprehensive review of ceiling limits by any committee of this House; there has never been a debate on these ceiling limits. Instead, this procedure has been used repeatedly.

[Mr. Woolliams.]

Last night I attempted to question the President of the Treasury Board (Mr. Chrétien) as to what is the actual, new ceiling limit as far as the lending or borrowing ability of the government is concerned, and I was denied the right to receive an answer to that question. With regard to last evening's debate, the confusion which arises from our current procedure is perhaps shown in the apparent conflict in the rulings of the Chairman of the Committee of the Whole House. At one point in the questioning of the President of the Treasury Board the Chairman stated that at that stage of committee of the whole proceedings there was no debate and that the committee had to decide upon this. The Chairman indicated that hon. members could ask questions for information, but he did not want to have an exchange from one side of the House to the other. However, later when I rose and asked whether the President of the Treasury Board could indicate what sums remained unborrowed and negotiated in loans authorized by parliament, the Chairman ruled that the rules did not permit debate and that asking questions is debate. Subsequently, the Chairman indicated that I might have a procedural point of order concerning clause 5, but that I could not ask for information as far as the bill was concerned.

Mr. Speaker, this point was dealt with in part by Your Honour and Your Honour indicated that under this procedure the estimates, whether they be main or supplementary estimates such as is the case with respect to these two bills, are examined in the standing committees. Subsequently, Your Honour stated that the rapid passage of these bills in the evening must be predicated upon the previous opportunity of examining the spending estimates, which after all are the substance of debate either in standing committees or on the floor of the House.

The $4 billion loan limit to which I have referred was not included in the estimates; it was not something that will ever come before any committee of this House. I point out that it is, surely, a most unsatisfactory procedure when we are asked to raise a lending ceiling by a further $4 billion. We are not even made aware of the total ceiling which the government now has available to it with respect to lending activities, yet when questions were put on this subject last evening, because of procedural problems we were not given the privilege of obtaining that information.

If the Chair agrees that my question of privilege is well founded, I will move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

● (1120)

That the subject matter of this question of privilege be referred to the Standing Committee on Procedure and Organization to recommend a suitable procedure for the setting of ceilings by parliament on the amount that may be raised by loan by the government.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I begin these brief remarks on the question of privilege by reference to Standing Order 58(10) under which the procedure took place last evening. The relative section is in the middle of that subparagraph and reads as follows:

If the motion under consideration at the hour of interruption is a no-confidence motion, the Speaker first shall put forthwith, without

further debate or amendment, every question necessary to dispose of that proceeding, and forthwith thereafter put successively, without debate or amendment, every question necessary to dispose of any item of business relating to interim supply, main estimates, and supplementary or final estimates, the restoration or reinstatement of any item in the estimates, or any opposed item in the estimates, and, notwithstanding the provisions of Standing Order 72, for the passage at all stages of any bill or bills based thereon.

The procedure that was followed last night in which the Chairman of the Committee of the Whole had to intervene to suggest that the questions being asked were in the nature of debate seems to be well founded on the rules. Let me deal particularly with two questions raised in the questions of privilege put forward. The first is the matter of borrowing authority. The House will recall—as a matter of fact, the hon. member for York-Simcoe (Mr. Stevens) drew attention to this fact—that when the main estimates were being approved during the first part of this session there was an unusual procedure in which a clause dealing with borrowing authority was included in the bill dealing with the Appropriation Act. At that time Your Honour will recall that I said I did not defend the procedure and that I hoped it would not recur.

On this occasion, however, the borrowing authority that was sought was in the bill approving interim supply. I looked at the precedents, and perhaps my hon. friend will be impressed by the fact that this procedure was inaugurated by the Right Hon. R. B. Bennett some 40 years ago and has been followed almost without exception in subsequent appropriation bills, namely, that on interim supply there is usually an extension of the borrowing authority of the government. There was nothing unusual about the procedure. As my colleague the President of the Treasury Board (Mr. Chrétien) said, this is the usual form that has been approved in the past, so he gave the necessary assurance. He also gave the assurance that notwithstanding the fact that interim supply was being asked for and would be approved, there would be an opportunity for the House and standing committees or the committee of the whole to look at the items out of which the interim supply was being extracted.

I say to my hon. friend who raised this question that it would be quite impossible to limit interim supply to exactly three-twelfths of any particular item, because there are occasions when the government finds it necessary to spend the money earlier in the year rather than later.

I do not think, therefore, Mr. Speaker, that there is a valid question of privilege. May I add, as chairman of the Standing Committee on Procedure and Organization, that we have been looking at supply procedures and there is before the House now the report of the standing committee on which I intend to move concurrence early next week. If the hon. gentlemen or anyone else in their party would like to suggest further amendments, they would certainly be welcome to do so, or perhaps one of their spokesmen could raise the same point. So, Mr. Speaker, I suggest there is no question of privilege.

Mr. Speaker: Order, please. Perhaps it is best to be clear, at first, that there is no serious suggestion of disorder. It seems to me that it was well understood and expressed by both proponents of the alleged questions of privilege that the procedures followed last night and discussed were not out of order. The complaint was not that those procedures were irregular. Those procedures conformed with the practices adopted in this House for many years. The President of the Privy Council (Mr. Sharp) has pointed that out. Instead of being the end of the problem, it is but the beginning.

The complaint is not that the procedure itself was disorderly, but that important powers are accorded to the treasury benches, without parliament being given an opportunity to scrutinize those powers,to limit and restrict them. The difficulty that poses is very real. I am sure it is clear to hon. members that it involves parliament's most fundamental exercise. The solution, since these procedures conform to existing Standing Orders, is not by way of a question of privilege or point of order; neither is it by way of any remedial action by the Chair. The solution lies in the examination of these procedures in the Standing Committee on Procedure and Organization, which is basically the motion proposed by both proponents.

I find it difficult to accept the matter as questions of privilege. I prefer to reserve any decision, in the hope that in the discussion which will arise next week on the motion for concurrence in the report of the standing committee—the committee has experimented with ways to improve supply procedures—hon. members will be assured that the committee will examine this difficulty which arises every time the House votes supply. What aggravates hon. members' feelings is the focal point of the procedure, when money must be voted. It must be voted without debate and without amendment. The matter must come to a vote some time. As the hon. member for Crowfoot (Mr. Horner) suggested so clearly last night, hon. members must accept the fact that at some time the House must come to a decision and at that moment it must be done without debate or amendment.

The procedures leading up to that point might be usefully examined by the committee, in the hope that arrangements may be made for seeking legitimate information and that the opportunity for members to examine the ingredients of such important bills might somehow be extended, so that crises may be averted, crises which arise when there is no proper opportunity for hon. members to ask questions, particularly about clauses like clause 5, which surfaces for the first time in the supply bill without there having been an opportunity to ask questions.

It seems to the Chair that that procedure might usefully be improved; but the way to do it is not by way of an order of the Chair. The way to do it, surely, is by way of co-operation among House leaders in arranging further discussions in the standing committee.

Agriculture

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

PROPOSED REVIEW OF SEASONAL DUTIES ON AGRICULTURAL PRODUCTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity relating to the signs of spring which are beginning to manifest themselves in the capital despite the blustery winds and equinoxial gales we are experiencing today, signs of spring as evidenced by the fresh daffodils from my riding, Esquimalt-Saanich, which are available in the lobbies to all hon. members and which pages will deliver to all hon. lady members of this House on this first day of spring in International Women's Year.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): In view of the unfair competition under which Canadian agriculturalists and horticulturalists in the west suffer from cheap products from abroad in the form of vegetables, cut flowers, shrubs and fruits, I seek the unanimous consent of this House for the following motion:

That the Minister of Agriculture, in consultation with his colleague the Minister of Finance, undertake a review of the regulations relating to the seasonal imposition of duties on vegetables, cut flowers, shrubs and fruits from outside our borders, in particular recognition of the early maturing stages in British Columbia, so that agriculturalists in the garden riding of Esquimalt-Saanich shall be able to continue their commercial operations and provide their customers in the east and in the west with garden-fresh fruit, vegetables and flowers for many years to come.

Mr. Speaker: The motion being proposed pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent for the debate?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please.

* * *

● (1130)

[*Translation*]

TRANSPORT

REQUEST FOR IMPROVED RAILWAY SERVICE FOR NORTHWEST QUEBEC—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to move a motion on an urgent matter of pressing necessity.

Owing to the fact that railway transport is the principal mode of transport in northwest Quebec for industrial and commercial supplies and that deliveries are terribly delayed, it is not unusual for packages to take two weeks to cover the 45 miles between Senneterre and Val-d'Or, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House instruct the Minister of Transport to launch an investigation into the excessive slowness of railways in moving goods in northwest Quebec and to report to this House about the steps he intends to take to remedy this situation and assure merchants, industry and the people of northwest Quebec of better railway services, which I claim on behalf of the economy of this area.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

CRIMINAL CODE

PROPOSED DEBATE ON RETENTION OR ABOLITION OF CAPITAL PUNISHMENT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, pursuant to Standing Order 26, I ask leave to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration.

This specific and important matter is in respect of the recent increase in the incidence of murder, and to the 1973 amendment to the Criminal Code that abolished capital punishment for murder except for killing policemen and prison guards. This law will continue until December 31, 1977. Of most concern to the Canadian public is the resolution of the question of whether or not to abolish or retain capital punishment. There must be a debate on this matter and on the question of whether to introduce new legislation to abolish or restrict the royal prerogative, exercised on the advice of the cabinet, to commute death sentences when there has been no recommendation for mercy. If my proposal is acceptable, Mr. Speaker, I will move the adjournment of the House, seconded by the member for Prince George-Peace River (Mr. Oberle).

Mr. Speaker: There is not the slightest question about the importance of the subject matter raised by the hon. member. In conformity with Standing Order 26, the hon. member gave the Chair notice of his intention to move for this emergency debate.

While on some occasions in the past I have had no difficulty in seeing a proper emergency situation requiring the implementation of Standing Order 26, I do not on this occasion have any difficulty in saying that it is not the purpose of the Standing Order to bring about amendments to existing statutes or deal with continuing aggra-

vations or problems. The question of capital punishment is certainly that kind of situation and should not be the subject matter for a debate under Standing Order 26.

ORAL QUESTION PERIOD

[*English*]

ENERGY

FAILURE OF ARCTIC GAS PIPELINE TO FILE ALTERNATE ROUTE WITH BERGER COMMISSION—REQUEST FOR GOVERNMENT INTERVENTION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that the Berger commission chief counsel, Ian Scott, in repeated criticism has stated that Canadian Arctic Gas Pipeline Limited has failed to produce studies and other documents related to alternate routes for the proposed Arctic natural gas pipeline, and when questioned by a reporter outside the inquiry he stated that the delay in supplying the reports could lead to a delay in the hearings being held by the commission, does the government itself or through the National Energy Board have any plans to communicate with Canadian Arctic Gas Pipeline Limited stating the necessity that they present all the documents the commission requires so that the commission can proceed in an orderly fashion?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will have to consider the hon. member's suggestion. The government's view is that the Berger commission should continue its activities without interference or interruption by the government. I will have to consider whether this could be construed as some kind of interference on our part.

MACKENZIE VALLEY PIPELINE—REQUEST FOR ASSURANCE DECISION TO CONSTRUCT WILL NOT BE MADE PRIOR TO BERGER COMMISSION REPORT

Mr. James Gillies (Don Valley): Surely intervention by the government or the National Energy Board to make certain that the commission can fulfill the responsibilities assigned to it cannot be interpreted in any way as interfering with the logical operation of the commission. I have a supplementary, Mr. Speaker. Can the government now say with absolute certainty that the pipeline will not proceed or a decision will not be made regarding the pipeline before a report is made by the Berger commission?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I can say with absolute certainty that no decision can be made before a report is made by the National Energy Board. My understanding is the Berger commission will have finished its report long before the board will have finished its report.

Mr. Gillies: Do I understand the minister to say that the pipeline decision will not be made before the Berger commission report is finished?

Mr. Macdonald (Rosedale): Mr. Speaker, as I understand the timetable, and Mr. Justice Berger said this himself, that appears to be a reasonable conclusion.

* * *

NATIONAL ENERGY BOARD

REQUEST FOR ASSURANCE BOARD NOT INVOLVED IN PLANNING OF NORTHERN PIPELINES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In light of earlier statements by the minister that the National Energy Board is an independent tribunal set up to look after the public interest, will the minister assure the House that between the years 1970 and 1975 the National Energy Board was not in any way involved in the planning of northern pipelines?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. lady would read the National Energy Board Act, she would find that not only is it a regulatory tribunal, but it has been given the responsibility by parliament to act in an advisory role to government. I would have to check the record, but according to my recollection, representatives of the National Energy Board, including perhaps the former chairman and the present chairman, were indeed involved in advice to the government which established the northern pipeline guidelines which are now being followed.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, I am not talking about the government's pipeline guidelines, the establishment of the pipeline guidelines or the board acting in an advisory capacity in this way. I am asking the minister if this independent regulatory body, namely the National Energy Board, was in any way involved in the planning of the pipeline during that period.

Mr. Macdonald (Rosedale): If the hon. lady would do a little more research on this matter, she would find that the board is, of course, reactive to applications in this regard. If she is referring to preparation of general government guidelines such as I have referred to, obviously the board was involved. If she is referring to the preparation of an application by any individual applicant, that, of course, would clearly not be the role of the board. I am confident the board would have acted with great discretion in that regard.

* * *

FOREIGN INVESTMENT

GOVERNMENT VIEW OF ADEQUACY OF PRESENT LEGISLATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. The Foreign Investment Review Act was passed by parliament as a result of expressed concerns by Canadians with regard to the problem of foreign ownership in general in Canada

and specifically United States ownership. This was indirectly referred to recently by the Minister of Finance when he said that a good part of our problem of trade imbalance with the United States is connected to the situation. In view of the interpretation put upon the Prime Minister's conversations with West German businessmen and the interpretation made of the recent speech in New York by the Secretary of State for External Affairs, is the government still concerned with the problem of foreign ownership? Also, does the Prime Minister consider that existing legislation is adequate to deal with the problem?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the first question is yes. In answer to the second question, the legislation is adequate in so far as it deals with one problem. However, there are many aspects to foreign ownership and investment control of the Canadian economic environment that the government has followed and will continue to develop, such as taxing approaches, incentives to investment in Canada and so on.

POSSIBLE INTRODUCTION OF NEW LEGISLATION—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): In view of what the Prime Minister has said, in light of the statement made in the House by the Minister of Industry, Trade and Commerce in March, 1973, namely that we turn control of our future over to those who own our industry, and in light of the limitations in the existing legislation to deal with the broader problem, is the government giving consideration to bringing before the House new legislation to deal with not only takeovers but all new investment in the Canadian economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member will recall that under the Foreign Investment Review Act, other investment and takeover is covered in a second part of the legislation still to be proclaimed. The government has indicated it will proclaim this part at a date still to be announced.

● (1140)

REQUEST THAT MINISTER PROVIDE WRITTEN JUSTIFICATION FOR TAKE-OVERS

Mr. Edward Broadbent (Oshawa-Whitby): Since under the terms of the act the government has turned down fewer than one per cent of the applications, that is to say, only nine of all the applications for take-overs, and since a written explanation has been provided in the case of only one of the take-overs as to the degree to which it meets the requirements of the legislation, would the Prime Minister request the Minister of Industry, Trade and Commerce to provide the House with written justification for all the take-overs in the future and for those which have taken place so far?

Right Hon. P. E. Trudeau (Prime Minister): As to the preamble to the question, this is a statistical matter; I do not want to contradict the hon. member but I think if he checks the figures he will find the percentage is not what he has indicated. I will check them and I am sure he will, too. My impression is that of some 60 cases which have been considered, eight or nine applications have been rejected. This is a considerably higher proportion than one per cent, if my memory is correct.

As to the second part of the question, we shall continue to apply the policy as set out in the law and in the government's statement. The hon. member is making a representation. I propose to review this subject with my colleagues in the not too distant future and I will consider his representation at that time.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR INCREASED FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Considering the increase in the unemployment rate in Canada, and more particularly in Quebec, may I ask the Minister of Manpower and Immigration whether he will recommend the approval of other LIP projects to create jobs and alleviate the burden now resting on the Unemployment Insurance Commission?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): I shall need clarification as to what the hon. member means by "other bills" before I can respond.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary following the minister's answer.

Considering that many LIP projects have not been subsidized, although they are valid, does the minister intend to postpone the date for the approval of projects to allow them to be subsidized and to create more jobs, particularly in areas where the unemployment rate is visibly increasing?

[*English*]

Mr. Andras: No such decision has yet been taken by the government. The whole matter is under consideration. If there is a decision it will be announced in the House.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have another supplementary.

Because of the urgency of the problem, would the minister tell the House what the community program comprises which he intends to put forward jointly with the Minister of National Health and Welfare, and tell us also whether this program will be implemented in the near future?

[*English*]

Mr. Andras: I believe the hon. member is referring to the community employment strategy, now in its developmental phase, which we are negotiating with each of the provinces. This will not be a massive program at its inception; it will in fact be limited to about two projects in each province being selected in consultation with the provincial government concerned. Negotiations are going on very

well with my counterparts in the provinces. I believe there will be activity in most places within the next few weeks, but limited to that scope.

* * *

TRANSPORT

POSSIBLE BID-RIGGING IN SALVAGE AND DREDGING INDUSTRIES—INVESTIGATION IN "IRVING WHALE" CASE—GOVERNMENT ACTION TO PROTECT PUBLIC INTEREST

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that the Minister of Transport has stated outside the House that the government was alerted to the suspicion that bid-rigging might be going on in the salvage and dredging industries as a result of the *Irving Whale* case in 1971, what steps has he taken to determine what procedures were followed at that time to protect the public interest?

Right Hon. P. E. Trudeau (Prime Minister): I asked the minister to investigate, which he did.

Mr. McGrath: Could I ask the Prime Minister when he asked the minister to investigate? Did the investigation satisfy the government that the contractual procedures followed in connection with dredging were such as to protect the public interest and that there were in fact no grounds for the suspicion the minister had enunciated?

Mr. Trudeau: As to the moment at which I discussed this matter with the minister, it was as soon as I learned about the possibility of a scandal there. The minister had already carried out an investigation at that time, and he showed me the results of that investigation on which he has commented in this House and outside.

Mr. McGrath: Can the Prime Minister determine for the House the date of the investigation? Was it at the time of the *Irving Whale* incident in 1971 or was it within relatively recent times when the minister made the statement?

Mr. Trudeau: The latter, Mr. Speaker.

POSSIBLE BID-RIGGING IN SALVAGE AND DREDGING INDUSTRIES—CONSULTATIONS WITH MINISTER OF JUSTICE IN 1971

Mr. Elmer M. MacKay (Central Nova): I should like to ask the Minister of Transport whether he consulted with his colleague, the Minister of Justice, in 1971 to solicit his advice in assessing the legality of what was going on in dredging tender procedures?

Hon. Jean Marchand (Minister of Transport): In 1971 I was not Minister of Transport.

ROYAL CANADIAN MOUNTED POLICE

PROPOSED ELIMINATION OF PATROL VESSELS—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Solicitor General; in his absence may I direct it to the Minister of Justice or to the acting minister? Can the minister inform the House whether it is the intention of the government to eliminate the service provided by the RCMP patrol vessels operating off the coast of the maritime provinces? If not, would he investigate and advise us?

Hon. Otto E. Lang (Minister of Justice): I will bring that question to the attention of the Solicitor General and ask him to report.

Mr. Muir: May I ask the hon. gentleman if, when he is working on this urgent and important matter, he will keep in mind that these RCMP patrol vessels, along with vessels from the Departments of Fisheries, Transport and other government departments form part of the search and rescue units of the Canadian Coastguard? Obviously, this duty cannot be carried out with 16-foot skiffs.

Mr. Lang: I think the Solicitor General is aware of the facts concerning the service provided.

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NORTHERN AFFAIRS

MACKENZIE HIGHWAY—INQUIRY AS TO POSSIBLE CHANGE IN GOVERNMENT POLICY

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I should like to direct this question to the Minister of Indian Affairs and Northern Development. It relates to a statement of the Minister of Energy, Mines and Resources in a letter to the Secretary of the Department of the Interior dated May 4, 1972 with respect to the construction of the Mackenzie Highway to ease the building of a pipeline.

In view of the fact that $100 million has already been spent to date on construction of this highway, and bearing in mind recent statements by Canadian Arctic Gas, has the government reviewed its position with regard to this highway and, if so, would the hon. gentleman advise whether there has been any change in policy?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): We are currently reviewing the situation. When the original cost estimates for this highway were being put together we were looking at some $60 million. We are now looking at estimates in excess of a quarter of a billion dollars. So we are currently examining the whole situation.

Oral Questions

NATIONAL PARKS

REQUEST FOR RECONSIDERATION OF PROPOSAL TO INCREASE ENTRANCE FEE TO PRINCE EDWARD ISLAND PARK

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I address a question to the Minister of Indian Affairs and Northern Development? It is in reference to the deplorable proposal to impose a $2 entrance fee to the Prince Edward Island national park. Having had an opportunity to assess the special difficulties such a levy would impose on the people of the Island, is the minister now prepared to add to the good sense of his year's moratorium the deeper wisdom of a full abandonment of this iniquitous and nefarious scheme to keep the people of Prince Edward Island from their own beaches?

Some hon. Members: Hear, hear!

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): In the final part of his question the hon. member did say I have arrived at an agreement for a year's delay because of the acquisition of buffer lands to which I referred in replying to the hon. member for Calgary North. The residents of the parks are not subject to this fee, nor are people whose work requires that they go through the parks. With those exceptions it is our intention to follow through with the plan.

● (1150)

CAPE BRETON HIGHLAND NATIONAL PARK—REQUEST FOR RECONSIDERATION OF INCREASED ENTRANCE FEE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a supplementary question with reference to the Cape Breton Highland National Park where these exorbitant fees are also being put into effect. In light of the fact that the only road that can be used goes through the Cape Breton Highland National Park, and there is no other way you can get through unless you go by water, would the minister consider eliminating what the hon. member for Hillsborough has said is an iniquitous tax, because of the fact these people are already paying taxes to the province in the way of sales taxes and licence fees, and only one-third of the highway is involved with the Cape Breton Highland Park?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated in reply to a previous question, people who live in the park and people whose work requires them to go into or pass through the park, as is the case in some towns and villages in the Cape Breton Highland Park, will not be subject to the fee, or if it is required that they pass through the park to get to their homes.

* * *

ROYAL CANADIAN MOUNTED POLICE

REASON FOR PROTECTION FOR MINISTER OF LABOUR—POSSIBILITY OTHER MINISTERS OR PERSONS INVOLVED IN HAMILTON HARBOUR INVESTIGATION BEING PROTECTED

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I intended to direct my question to the Solicitor General, but in his absence I will direct it to the Acting Solicitor General. It concerns the rather surprising and alarming story today that the RCMP are providing police protection to the Minister of Labour. Could the Solicitor General advise whether that protection was requested by the Minister of Labour or provided as a result of investigations of the police into the Hamilton Harbour matter?

[Mr. Buchanan.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think I will simply say to the hon. member that certain reports came to the attention of the police and appropriate action was taken.

Mr. Nowlan: Mr. Speaker, would the Acting Solicitor General advise whether any other ministers or any other persons involved in the Hamilton Harbour investigation are being provided with police protection?

Mr. Lang: Not that I know of, Mr. Speaker, but I will have to take a look at the matter.

* * *

HOUSING

ALLEGED CHANGE IN UNDERTAKING OF MINISTER TO INVITE MEMBERS TO CMHC FUNCTIONS—MINISTER'S POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, the question I want to put to the Minister of State for Urban Affairs is really supplementary to a question of privilege which came up a week ago last Tuesday, but I have not been able to get to the minister as yet. This is a very important matter, Mr. Speaker. In view of the fact that the minister recently stated in a letter—

Some hon. Members: Question.

Mr. Speaker: Order, please. The hon. member has already taken some time with a bit of a preamble. I would really think in the interest of other hon. members who want to pose questions that the hon. member should just ask his question.

Mr. Dick: Mr. Speaker, in view of the fact that the minister sent a letter to Liberal members of parliament and not to members of other parties in this House indicating he will invite them to preside in place of him at certain functions where CMHC funding is being provided in their ridings, providing speech notes and ground transportation, and in view of the fact he is asking—

Some hon. Members: Order, order.

Mr. Speaker: Order, please. Will the hon. member put his question to the minister?

Mr. Dick: Mr. Speaker, in view of the fact that he is asking those people—

Some hon. Members: Question, question.

Mr. Speaker: Order please. The hon. member for Northwest Territories.

Mr. Dick: On a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member of Northwest Territories.

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

Mr. Speaker: Is the hon. member for Lanark-Renfrew-Carleton rising on a question of privilege?

Mr. Dick: Yes, Mr. Speaker, I am rising on a question of privilege in view of the fact that I believe this is a very important question and since I have not reached the point of putting it. I was trying to point out this matter by way of a question rather than a question of privilege. I refer to an undertaking or promise made in this House which I, as a member of parliament, and I believe others have taken as an undertaking by the Minister of State for Urban Affairs as a result of his statement on October 24 at page 723 of *Hansard*. That is an undertaking on which I have relied, and I intend to carry out my function as a member of parliament. The minister suggested that members of parliament, no matter to which party they belong, would attend as the official person representing the CMHC at all functions in their ridings, and I take this right from page 723 of *Hansard*. The minister has now sent out a letter of invitation to Liberals only to go to those constituencies which are represented by other than government members.

Some hon. Members: Shame, shame.

Mr. Dick: That is my question of privilege.

Mr. Speaker: Order, please. Because of the very important nature of the question, and particularly because of its ingredient of political partisanship, I was most anxious to extend every courtesy to the hon. member. My discontinuance of his right to ask a question was not based in any way on the subject matter, but on my repeated request that the hon. member discontinue his long preamble and get to the point of the question. On his second refusal to do so I felt it was in the interest of other members to move on to another question. If the hon. member has a question to put to the minister I would be grateful if he would put it.

Mr. Dick: Mr. Speaker, I was attempting to put the matter as a question of privilege but I will be glad to change it to a direct question. Will the minister now explain to the House why he has gone back on his undertaking and promise to parliament, which he gave to the members of this House, and why he is no longer inviting members of other parties to official CMHC functions which take place in their ridings, particularly when he expressly stated he wanted them to be there?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it is my intention to invite members of parliament in each case to be in attendance and participate where CMHC ceremonies take place. I must say that after the most recent intervention I have my doubts whether this is a wise idea.

Some hon. Members: Oh, oh!

An hon. Member: That is a bright remark, Danson.

Some hon. Members: Oh, oh!

Mr. Dick: Mr. Speaker, perhaps if all the seals over there want to stop barking we can get on with this.

Some hon. Members: Oh, oh!

Mr. Dick: Mr. Speaker, in spite of the partisan comments of the minister, which I do not think were in order in reply to a question as simple as that, I wonder if the minister can handle a simple question. Perhaps he cannot give a proper answer, but will he send members of parties other than the government party the same letter he sent to Liberal members of parliament?

An hon. Member: Come on Barney, give us an answer.

Mr. Danson: Mr. Speaker, as a matter of fact there has been, and I am going to send at the same time another letter, and I assume that those who represent me personally would be representing the supporters of my government.

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NORTHERN AFFAIRS

REASON FOR REMOVAL OF HEAVY EQUIPMENT FROM FORT SMITH VOCATIONAL TRAINING SCHOOL—POSSIBILITY OF REPLACEMENT

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development of which I gave him notice. The administration of the Northwest Territories and the federal government set up adult vocational training courses in Fort Smith, Northwest Territories, which have met with considerable success, for which the government can be given credit. I would like to ask the minister to explain why it was seen fit to remove the heavy equipment from the Fort Smith school and send it to the "Hire North" site project which is to build the Mackenzie highway, particularly after the mayor and the council of Fort Smith were given assurance by the Northwest Territories government in May 1974, at which time CBC staff members and other press people were present?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, from the information I have been given, it is my understanding that this move was necessary so that instructors could give on-the-job site training to the native people who are being trained to work on the "Hire North" project. In addition I understand there was consultation just a couple of days ago, on the 19th, when Assistant Commissioner Hancock met with the council in Fort Smith to discuss the matter.

● (1200)

Mr. Firth: Mr. Speaker, I have a supplementary question for the same minister. Now that the federal government has taken this equipment from the Northwest Territories training school at Fort Smith, will that equipment be replaced?

Mr. Buchanan: That is something I will have to look into to obtain a reply for the hon. member.

Oral Questions

GRAIN

ALLEGED INSTRUCTION BY WHEAT BOARD TO FARMERS NOT TO SEED GRAIN—REQUEST FOR EXPLANATION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister responsible for the Canadian Wheat Board. On March 13 I asked the minister whether the Wheat Board would be taking on contracts after the strike, and whether it was advisable to seed grain this year in view of the huge backlog. The minister replied that it was advisable to seed grain. However, a report two days later which appeared in the *Financial Post* indicates that the Canadian Wheat Board has taken the unprecedented step of telling western farmers to cut back on planting because it cannot guarantee it can move the harvested grain. Would the minister care to explain the discrepancy between himself and the Wheat Board, which is in a position to really know?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there is no discrepancy whatever between the Wheat Board and the statements I have made, but there certainly is in respect of the report. The report to which the hon. member referred is completely false and inaccurate. The chief commissioner of the Canadian Wheat Board called me shortly after the report came to his attention. He said there was no truth to it whatever and that the Canadian Wheat Board is fully in agreement that it is in the best interests of Canada at the present time for us to go for fairly full production next year.

Mr. Korchinski: Mr. Speaker, will the minister, then, guarantee that next year's crop will be taken by the board?

Mr. Lang: Mr. Speaker, the usual letter to the producers has been sent which indicates to them the kind of guarantee of minimum quantities that will be taken by the board, and it is a good assurance of the sales they will want. In addition to that, of course, there is the point that many of the grain bins in the country will be empty and additional production, from the point of view of security of supply, is desirable.

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AIRPORTS

PICKERING—ALLEGED PROMISE OF MINISTER TO STOP CONSTRUCTION IF MAJORITY OF PEOPLE OPPOSED

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Minister of Transport. On February 21, in answer to my question regarding the Pickering airport project, the minister answered in part:

> If the hon. gentleman can bring some kind of evidence to show that the majority of the population is against the airport, I am ready to revise the whole thing.

Could the minister confirm his statement by assuring the House that, if proof can be produced showing that a majority of the people of Toronto oppose the present project, he in fact will take appropriate steps to scrap all plans in regard to the new airport?

[Mr. Buchanan.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not see what kind of answer the hon. member is looking for, because I have received no evidence that the population of Toronto does not want an airport.

Mr. Jelinek: I have a supplementary question.

Mr. Speaker: Order, please. With due respect, I must say that the hon. member is asking a hypothetical question. He is asking the minister what action he would take in the event of something happening.

Mr. Jelinek: I hesitate to rise on a point of order, Mr. Speaker, but it is well known that the minister has a reputation for changing his mind on many occasions, and I wonder whether he will reverse the stand he took in answer to my question of a couple of weeks ago.

Mr. Marchand (Langelier): On the same point of order, Mr. Speaker, there are many places in Canada where there are people who never change their minds.

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IMMIGRATION

AVAILABILITY OF SOCIAL INSURANCE CARDS TO ALIENS—GOVERNMENT ACTION

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. In view of the present plans being made in respect of the green paper on immigration and my concern that immigrants who come to Canada and conform to the regulations be protected, since I have a very strong feeling that those aliens who misuse immigration bring to bear a certain reaction to immigrants who come in legally, I wonder whether the minister could indicate what steps are being taken by his department to make sure that social insurance cards are not being made available to those who are visitors or aliens of Canada who might be able to obtain employment when they are not entitled to that employment.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, an examination is being made of the social insurance number and therefore the cards. I have to reiterate that it was never intended to be an identification measure or process, although at the same time I might say that de facto it is being used for that purpose and its inefficiency in that respect is causing a great deal of problems, but we are examining this and anticipate introducing some changes in that process before too long.

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THE CANADIAN ECONOMY

INFLATION—REQUEST FOR EARLY STATEMENT ON OBJECTIVE ON SEEKING CONSENSUS AND PROGRESS THEREON

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister who

promised me earlier in the week, on Tuesday, that he would consult with the Minister of Finance to see whether he could make a statement, and give us the timing thereof, with regard to the consensus program upon which a report was promised before Christmas and before the end of February. I asked the Prime Minister whether he would make a statement to the House before the Easter recess, which is now very close, concerning what the government is seeking a consensus on and the progress that is being made. Can the Prime Minister give me an assurance he will make a comprehensive statement on this program which is considered to be of such importance to the government before we adjourn for Easter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did raise the matter with the Minister of Finance. The situation is that there will be no position set down before Easter. If there is to be one it would be a repetition of the very thorough and on-going statement the minister made in respect of the taxation measure some weeks ago.

Mr. Stanfield: Mr. Speaker, I believe the statement was made when the bill was before the committee. In view of the fact that any statements made by the Minister of Finance or by the Government House Leader have been of a general nature and members of the House and the people of the country are completely in the dark concerning what it is the government is seeking a consensus about, would the Prime Minister tell us when he will be prepared to make a statement which is not a general statement of the sort which has been given which means nothing. When will he be prepared to give a statement to the House concerning the contents of the consensus program?

Mr. Trudeau: I have not yet determined the date, Mr. Speaker.

Mr. Stanfield: Mr. Speaker, I want to keep within the rules of the House and keep my temper if I may. In view of the emphasis given this program in the Speech from the Throne, and in view of the repeated postponements and no new information given about it, how does the Prime Minister expect the Leader of the Opposition or anyone in the opposition to sit calmly by and receive nothing but evasive answers from the Prime Minister? The Prime Minister smiles. Is it the intention of the Prime Minister simply to stonewall all questions on this subject and bide time, or is it his intention finally after many, many months to give the government and the country at least a little bit of the leadership which he promised in the last campaign?

Some hon. Members: Hear, hear!

Mr. Trudeau: Well, Mr. Speaker, in all sincerity may I say I do not expect the Leader of the Opposition to sit idly by and keep his temper. I fully realize that he is doing his job in trying to get a statement from the government on this particular subject. My smile during the question had nothing to do with his concern but with the big smile I saw on the face of the hon. member opposite when someone yelled "shame". I thought this was part of the rhetoric, part of the game. I smiled, but I still believe that the question asked by the Leader of the Opposition is a very serious one. He will realize that on the government side we are engaged in a very difficult and delicate operation of trying to keep the inflation rate down by seeking a consensus. In our judgment, this is not the time to make any precise statements about the progress that we believe we are making. I respect the Leader of the Opposition for asking the question. I believe there is a certain amount of rhetoric involved in it, as indeed there is in my answer.

● (1210)

INFLATION—REQUEST FOR REPORT ON PROGRESS IN REACHING CONSENSUS BETWEEN MANAGEMENT AND LABOUR

Hon. George Hees (Prince Edward-Hastings): My supplementary question is directed to the Prime Minister. On Monday I asked him if he would report on the progress made toward reaching a consensus between management and labour with the object in mind of controlling inflation, and he replied at the time that he was viewing the matter with cautious optimism. I wonder now if this cautious optimism will enable him in the near future to repeat once again that deathless phrase which he uttered in January of 1970, namely, "we've got inflation licked".

Right Hon. P. E. Trudeau (Prime Minister): This is a good example of what I call a rhetorical question which is not seeking any information, and is quite different from the question of the Leader of the Opposition.

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[*Translation*]

TRANSPORT

REQUEST FOR IMPROVED RAILWAY SERVICE FOR NORTHWEST QUEBEC—MINISTER'S POSITION

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Transport.

Can he tell the House whether he is aware that northwest Quebec merchants have decided to boycott the CN services to protest against the reply the minister gave to a question I put to him on March 10 last about the slowness of CN deliveries in their area and, if so, can he tell us what he intends to do to meet the very legitimate request of the people of that part of Quebec concerning the delays in CN freight services?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have already been in touch with the CN and I trust we will be able to get a better service for the people of northwest Quebec.

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[*English*]

NORTHERN AFFAIRS

MERCURY POISONING OF NATIVES IN ENGLISH RIVER AREA—GOVERNMENT MEASURES TO RECTIFY—KNOWLEDGE OF JAPANESE STUDY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and it concerns the English river system in Ontario and in the area of Kenora. Would

the minister advise the House what steps he has now taken with regard to the mercury poisoning of the native population in that area since his on-site investigation in terms of the health of the native people in that area, and what steps he has taken to cause mercury pollution in the system to be reduced?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, basically the reduction of the mercury in rivers is the problem of the Department of National Health and Welfare, and the Department of the Environment, but my understanding is that measures have been taken in that direction. It is the durability of the mercury currently in the river system which apparently will endure for 70 or 80 years that is the problem, as we indicated to Chief Andrew Keewatin when we were there. Probably the only sensible solution would be relocation, but the band is not prepared at this point to accept that option. That was the indication given to me.

Mr. Leggatt: Is the minister aware that Japanese scientists are now studying the long term effects of mercury pollution at Minamoto in Japan? Evidence may be given this afternoon to the Department of National Health and Welfare concerning that. Does he have a representative there to study that evidence and to seek action following that testimony?

Mr. Buchanan: I am not certain whether our representatives are there, but I am certain that the Department of National Health and Welfare is involved and we will provide any forthcoming information.

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HUMAN SETTLEMENTS

RESPONSIBILITY FOR ARRANGEMENTS FOR CONFERENCE IN VANCOUVER

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the Prime Minister and it concerns the United Nations conference on human settlements to be held in June of next year at the University of British Columbia in Vancouver. In view of the fact that thousands of delegates from nations around the world will be in attendance, and in view of the enormous logistic problems in providing housing and security for the delegates, can the Prime Minister say who in Canada is in charge of the conference, Canada being the host country, and what progress has been made on the mammoth task of organizing this conference?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will discuss the matter with the Minister of the Environment and the Minister of State for Housing and Urban Affairs to try to ascertain which group is in the specific control position.

[Mr. Leggatt.]

ADMINISTRATION OF JUSTICE

INQUIRY AS TO OPINION ON LEGALITY OF WITHHOLDING GRANTS TO MARINE INDUSTRIES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Justice and it has to do with the request that the Minister of Industry, Trade and Commerce has made to him for an opinion regarding the holdback of grants to Marine Industries Ltd. and the government's position with respect to the matter. Has the Minister of Justice had an opportunity to deliver an opinion with respect to the propriety of holdbacks to the Department of Industry, Trade and Commerce?

Hon. Otto E. Lang (Minister of Justice): A number of questions arise in connection with a potential civil liability, and while we have formed certain opinions and had preliminary discussions, we are continuing to look at the specific situation of the different applications for payments which may come forward.

Mr. Baker (Grenville-Carleton): Is the minister in a position to undertake to report to the House on that matter before the Easter recess?

Mr. Lang: It may well be possible to give more precise indications about whether or not a specific type of payment is being proceeded with before that time.

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REGIONAL ECONOMIC EXPANSION

POSSIBLE DEVELOPMENT OF PORTS IN CONNECTION WITH LOWER CHURCHILL FALLS HYDRO PROJECT—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In view of the massive hydropower development taking place in the lower Churchill Falls area, can the minister indicate to the House whether, under the general development agreement with Newfoundland, studies are being made to create ports coincidental with that development and in order to support the development? I refer to the port of Corner Brook.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): In point of fact, yes, Mr. Speaker. I am not certain whether actual details have been settled as yet with the government of Newfoundland, but we have indicated our willingness in principle to help fund a study to determine what development should take place in Corner Brook. Incidentally, there may very well be some implications of that same study for another port in the hon. member's riding, namely, Stephenville.

AGRICULTURE

FERTILIZER—INQUIRY AS TO POSSIBLE ACTION FOLLOWING COMBINES INVESTIGATION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture and it arises out of his answer yesterday to the hon. member for Elgin when he informed the House that an investigation had been going on for some time under the Combines Investigation Act into the fertilizer industry. The minister informed the House earlier that extensive investigations had been carried on by his department and that he will be tabling information. May I ask the minister, as a point of clarification, whether any further action is contemplated on behalf of the minister or his department, depending upon the completion of the investigation under the Combines Investigation Act. In other words, will no further action be taken by the minister until the Combines Investigation Act study has been competed?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are putting the facts together and then we will decide how far we can go with the legislation we have at present. As I said the other day in answer to the question about fertilizer prices, we have legislation before the House that gives us the power to hold the prices, and if we find that unwarranted profits are being made, we have the power to roll back the prices. However, we would be in a better position to act immediately if we had the legislation, but we will use whatever legislation we have in co-operation with the Department of Consumer and Corporate Affairs to do what we can do. We are not at all happy with what they are doing.

Mr. Jarvis: Is it the minister's opinion therefore that the relationship with the fertilizer industry is such at the moment that some legal action may be necessary rather than any persuasive action that the minister might take with the representatives of that industry?

Mr. Whelan: We do know that, for instance, the Alberta pool, if I can use names, did not raise the price of fertilizer that high. We hope for similar action from other companies and co-operatives. I fought hard for co-operatives to receive better tax concessions so that no cosy deals are made.

● (1220)

GOVERNMENT ORDERS

[*Translation*]

RAILWAY ACT

AMENDMENT TO GIVE AUTHORITY TO MINISTER TO ACQUIRE CERTAIN COST INFORMATION FROM COMPANIES

Hon. Jean Marchand (Minister of Transport) moved that Bill C-48, an Act to amend the Railway Act, as reported (without amendment) from the Standing Committee on Transport and Communications, be concurred in.

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

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Marchand (Langelier) moved that the bill be read the third time and passed.

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

[*English*]

Mr. Don Mazankowski (Vegreville): Before this bill passes, Mr. Speaker, there are a few things I would like to say about it. The fact that this bill has been introduced by the government and proceeded with very rapidly is an indication that the opposition has indeed shown its willingness to co-operate with the government in bringing forth any legislation with respect to transportation. Through the good offices of the deputy House leader of our party an arrangement was made whereby the speakers were limited to one from each party on second reading, and the bill passed committee stage after only two committee hearings, so I think it is fair to say that we on this side welcome this piece of legislation as we welcome any legislation with respect to transportation policy.

The major thrust of this bill, which calls for cost disclosure by the railways on a government to government basis, arises from the proceedings of the Western Economic Conference which was held in Calgary July 24 to 26, 1973. I think it is fair to say that the concept of the bill was inspired by the provinces, and the purpose of the request to the provinces was to give them an oppportunity to evaluate cost data and to consider the effect of the freight rate structure as it relates to the growth and potential of economic development in the various regions of Canada. I think it also goes beyond that, in that the provinces wish to obtain information about the impact on various regulations and facilities with respect to our whole approach to national transportation.

I believe it is fair to say that in the initial stages the provinces asked for full public disclosure relating to the costs and freight rate structures of the various modes of transportation. The government, in its wisdom, saw fit not to proceed on that basis, but rather on the basis of disclosure on a government to government basis. I do not believe we find any objection to that because the freight rate structure and the manner in which freight rates are arrived at are a very important element of the over-all transportation policy; they are, indeed, very important to the over-all approach to overcoming the anomalies and discrepancies existing within our freight rate structure. Therefore, I want to point out that on this basis we agree with the bill.

I think the fact that we have this bill will give the provinces a better opportunity to study and assess the full impact of freight rates; they will be able to proceed in a much more knowledgeable fashion. I believe we must look at our freight rate structure in the light that freight rates must not only be fair but they must be seen to be fair. Hopefully, throughout the deliberations which will take

place as a result of this mechanism we will be able to deal with the very complicated issue of freight rate structures in a more knowledgeable and open way. The minister, in committee, indicated that this is merely a first step toward a much broader freight rate and transportation disclosure. He indicated, further, that it will be followed by a more comprehensive measure entitled the Information Act which will make it mandatory for all modes of transportation to provide any information the government may require. I think that in all fairness we will have to look at this matter quite carefully and seriously because the act will certainly have much broader implications and will require a great deal of study and consideration.

I note that the president of CNR, in a recent statement quoted in the *Globe and Mail* of Saturday, March 15, sounded a warning with respect to the requirement of cost disclosure. It would appear that he is somewhat apprehensive about the impact and the implications of disclosures of this type. I do not know just what is bothersome to the president of CNR, but I want to say to him through you, Mr. Speaker, that if the CNR or any railway company has nothing to hide, and if its freight rate structures are fair and based upon cost plus a reasonable return, then it should really have nothing to hide. I also say to him that there need not be any reason to be apprehensive. I think he is concerned about the fact that some of his predecessors, and indeed some people involved in the railway transportation network, have said they do not necessarily base their freight rates on costs but on the basis of what the traffic will bear. If that is the case, the public has the right to know.

I believe the main thrust and the main principle enshrined in the National Transportation Act is competition, and we all know that in areas of Canada where there are strong competitive forces—that is, in trucking, railroads and movement by water—those areas are generally subjected to fair and reasonable freight rates. However, in areas where we do not have that competition—and that is basically the problem existing in western Canada and, I would suspect, in the Atlantic provinces where we do not have that competitive force to keep all modes in line—we find that freight rates are established basically upon what the traffic will bear; that was admitted in committee and indeed publicly. As I have said, freight rates, whether with regard to railways, trucks or ships, must not only be fair but they must be seen to be fair, and therefore they should stand up to public disclosure and public scrutiny.

The minister has indicated that this is the first step toward a much broader Information Act which will be brought forth later. I wonder what the minister proposes to do in respect of trucking. I notice that he indicated the new act would cover all modes of transportation and that it would be broader in terms of information not only with regard to the application and establishment of freight rates but, indeed, other areas as well. I am not sure what authority the federal government will have to deal with the trucking industry, for example, because extra-provincial trucking is not covered by the National Transportation Act; part III of the act has never been implemented. Therefore, when we look at the whole question of the approach to an integrated transportation policy we must not overlook the importance of the trucking industry which plays a major role in the movement of freight in this country.

● (1230)

In an address to the annual convention of the Canadian Trucking Association on November 26, 1974, the Hon. E. J. Benson, president of the CTC, speaking of the year 1972 said that the railways and the off-highway, intercity trucking industry transported, between them, 238 million tons of traffic and of that tonnage 45 per cent was carried by the trucking industry. Almost half of all the freight that moves from city to city in this country is moved by truck. That is a very large amount of traffic when you consider that most of our bulk commodities such as potash, grain, coal, etc., move by rail. Moreover, of the gross revenue, which amounts to $2.3 billion on an intercity basis, the railways' share was $1 billion, or 43 per cent, while the trucking industry's share was $1.3 billion, or 57 per cent of the revenue. The trucking industry certainly cannot be overlooked in the approach to an integrated transportation system.

What bothers me, Mr. Speaker, is the fact that most of us consider that the railways should be more competitive and in a position to provide cheaper transportation than the trucking industry, given the economy in respect of fuel and the fact that they can move goods in much larger quantities, particularly bulky items. I think the fact that this bill will compel the railways to bring forth their facts and figures in order to justify their approach to the formulation of freight rate structures will provide a greater insight to the whole question of how they arrive at specific freight rates. Therein lies the major problem in so far as the impact on regional development is concerned. Surely it is time we took a very firm and positive position and said that transportation in Canada must be utilized as a major instrument for economic development in the regions.

Now, while the government is asking for disclosure from the railways and in the future will be asking for disclosure from other modes of transportation, I want to say something about the failure of the Minister of Transport (Mr. Marchand) to disclose precisely what is going on in his department. I think it is fair to say that even before this legislation was drafted the railways had made a commitment to the provinces to provide reasonable cost disclosure on the basis of an exchange of correspondence between the chairman of the two railways and the department. This government is far too secretive in its approach to transportation, Mr. Speaker. If the department and the government were to take the public into their confidence, I think we would have a much more informed and rational discussion of the whole subject than we have had to date.

I should like to point to a couple of examples. The study on the 22 specific freight rate items that was requested at the western economic opportunities conference in July, 1973, has been in the hands of the minister and the provinces for some time, but it was very difficult to extract that information from this government and this minister. It was not until a rather bitter debate took place in committee that the minister saw fit to table the information.

Transportation is a vital economic lifeline to the future of this country, so why does the government want to hide the information and not give us the report? Is it because they are the governing class? Are they saying, "We have the right to rule: we are the masters"? You would almost think they were the only people who had good ideas; but it is obvious, because of their failure to respond to the transportation needs of this country, that they are bankrupt of ideas. They need some help, and we are prepared to give it. It is rather unfortunate that the government found it necessary to hide this document. There is some very good information in it which could be used to deal with discrepancies and anomalies in freight rates as they affect regions. Why, then, the secrecy? I hope the minister will respond to this question.

A series of studies is going on at the present time, but the minister gives various answers to questions. That is why he gets into trouble, of course; but he can also get out of trouble, because one's interpretation of his approach depends on which answer you read. In one case he indicated that all the studies were completed, and in another answer he indicated that maybe one or two had been completed.

Mr. Speaker, three or four basic studies arose out of the deliberations of the western economic opportunities conference. For example, the equitable pricing proposal advanced by the province of Alberta and its system of freight rate structures were put forward for consideration. I believe that study was completed. Why, then, was it not tabled and made public? There was the Manitoba destination principle, another approach to the pricing structure of freight rates. There was the roadbed study which I understand has been completed. Why have these studies not been disclosed? After all, they were paid for by the taxpayers of Canada. Surely, with transportation in the mess that it is, it behooves the government to bring forward information so that we can all look at it and decide what is the best approach to the problem. We have a great deal of concern about this government's failure to bring us up to date on the progress being made.

I was quite amused by the minister's response to some of the questions asked in committee when we were dealing with this very important subject. He indicated that the provinces were opposed to tabling these studies and, frankly, I think that was a rather supercilious answer. The federal government paid for a large portion of these studies; national transportation policy is a federal responsibility, and it seems to me rather ridiculous to suggest that because the provinces are opposed to it we should not have the information. In the final analysis, this parliament will have to judge the legislative mechanisms brought forth to overhaul our national transportation policy.

We have lack of disclosure and lack of action by the government in many areas. For example, what has happened in the rapeseed matter which the CTC has been considering for some time and which has been in the minister's hands since 1970? It was found that, pursuant to section 23 of the National Transportation Act, the freight rate applying to that commodity was prejudicial to the public interest. The CTC brought down an interim decision and the provinces and all applicants appealed that decision. They asked the minister to reconsider it, as they are entitled to do under certain provisions of the National Transportation Act.

● (1240)

I think the matter was referred to the minister in March, 1974, and he has been sitting on it since. Nothing has been done, and ministerial inaction has been holding up the final decision of the CTC: the question is in limbo. If the government adopts as leisurely an attitude in redressing other freight rate anomalies and discrepancies, some freight rates will not be changed much before the year 2000.

Let me now refer to the matter of rail line abandonment. According to the announcement of December 30, the status of almost 6,000 miles of track will remain frozen until December 31, 1975. Almost three months have elapsed since the announcement, but the government has not provided guidelines and terms of reference for the evolution process. It has not told us how these lines will be evaluated or what the study procedures will be with regard to the 6,000 miles of track. What is the reason for the secrecy? Surely the government knows how the matter is to be dealt with.

Mr. Paproski: That's where the hon. member is wrong; it does not know.

Mr. Mazankowski: In the meantime, the status of 6,000 miles of track is left in limbo, as it were. Economic development in certain regions served by these lines is a possibility but that development will not go ahead under present conditions of uncertainty. I do not say that the government should guarantee that the 6,000 miles of track will remain in use until the year 2000. That is not the point. I am merely pointing out that delaying the decision with regard to the 6,000 miles of track until 1975 has created confusion, uncertainty and frustration.

Governments are not short of advice. Advice is provided by provincial committees and technical committees. The minister in charge of the Wheat Board (Mr. Lang) established a study group to look at transportation. In addition, other study groups have been sponsored by the Minister of Transport. We have available the services of all kinds of study groups and technical and advisory committees. Extra technical staff in the minister's office is available for advice. Despite the workings of all these groups, there is a dearth of information. Occasionally we see a press release which is put out for political consumption, but we do not know the hard facts. The minister refuses to answer questions asked in this House; I suspect he does not know the answers.

The minister has failed to inform members of this House where he stands with respect to the over-all transportation policy which the country was promised during the election campaign and again in the Speech from the Throne. So if we sound frustrated and angry, people should not be surprised: we are frustrated and angry because our requests for information are refused. We agree that transportation is in a mess. We want to work with the minister, but the initiative can only come from the government side. The government's inaction is making us angry, Mr. Speaker.

Mr. Stanfield: The government is like a secret society.

Mr. Mazankowski: If the minister is not in a position to bring forward a comprehensive transportation plan, he should at least bring forward guidelines which could apply right across the country. I suggest the minister could establish a national conference on transportation in which all experts in the transportation field could participate, in order to arrive at a consensus because, Mr. Speaker, transportation cannot be dealt with in isolation. It is as vital to our nation as our social security system and our energy resources.

The minister's approach to the problem of transportation is disjointed. He says one thing in one part of the country and another in another part. He speaks out of both sides of his mouth. After saying one thing in the Atlantic provinces, he says something different in central Canada and something different again in western Canada. We cannot develop policy if the minister's approach is so disjointed. A parliamentary committee might be helpful in making suggestions on transportation, but the guidelines and initiatives can only come from the government. During the election campaign the government pretended it had all the answers. We agreed with many of its proposals; many of them were similar to proposals we had advanced during the election campaign.

Mr. Paproski: The government stole our ideas.

Mr. Mazankowski: Matters involving grain handling and grain handlers' strikes come within the purview of transportation; but the government has taken no corrective initiatives in this field. We call on the government to take initiatives and to act. Surely somebody in the government is working on transportation. If members opposite had visited western Canada in the last week or ten days they would have sensed the anger and frustration of western producers—anger and frustration brought about by their inability to move products. What is the point of the kind of stabilization program we discussed last week, and will discuss again soon in connection with grain, if we cannot move products to market? The situation is ludicrous.

The provinces themselves asked for disclosure of certain cost information in order to be in a better position to evaluate freight rate structures, the manner in which they are arrived at and their application. Such disclosure is important for the provinces as they are concerned about the impact of freight rates on regional growth. Transportation policy is an important tool in bringing about regional growth. It has been acknowledged that there are anomalies and discrepancies in this country's freight rates; studies have proved it and the minister himself acknowledged it.

The method provided under section 23 of the National Transportation Act for curing these anomalies and discrepancies is far too complex, as is made evident by the appeal in connection with rapeseed. The procedure must be shortened and changed so that freight rate anomalies which are against the public interest can be redressed in short order. An opportunity for intelligent discussion of this matter and intelligent argument is necessary. That is why we welcome this bill.

[Mr. Stanfield.]

On February 24 of this year the Department of Transport released a communiqué which reads in part as follows:

> Calgary. At a breakthrough meeting at Calgary the federal and four provincial ministers responsible for transportation arrived at accord on five major principles on transportation policy affecting western Canada.

We welcome that statement which has been a long time coming. We want to be sure action is taken. Anomalies in freight rates can only be resolved on the basis of facts. So far, not one freight rate item has been changed, not one anomaly rectified. It has been acknowledged that we suffer from freight rate discrepancies. The railways voluntarily provided cost data almost two years ago. The government had two years to act. Surely that was long enough for it to put right some of these anomalies. The commitments which have been made—I will not go into them—are embodied in this communiqué. We take very seriously indeed the pledge and commitment made in the statement of February 24, 1975. As I said earlier, the principles include rejection of horizontal increases, maximum rate restrictions, long-haul and short-haul, and raw and finished products anomalies. These are all very important to the various regions of Canada.

● (1250)

The Minister of Transport said he was opposed to any further general horizontal percentage increases in rail freight rates. We take these pledges very seriously and we are going to hold this government to them. If the government refuses to bring in corrective measures, we can only assume that these communiqués are nothing more than political rhetoric and that the Speech from the Throne and commitments made during the last election campaign were simply a bill of goods sold to the Canadian people for the purpose of political expediency.

We in this party support this bill. We hope it is the beginning of a number of broader measures which must be brought forward to redress the whole question of transportation in Canada. I think that as a party we have proven that we are prepared to work with the minister and the government in arriving at a realistic, comprehensive and effective transportation policy. However, as I said before, the initiative and leadership must come from the government side. We certainly look forward to that initiative and we will be reminding the government on a day to day basis of the commitments and promises they have made.

[*Translation*]

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I am pleased to speak today on a bill concerning a department involved in my constituency.

We all know that railway companies are experiencing serious problems. It is normal for the provinces to obtain on due time all the information concerning freight rates and it is reasonable for Canadians to expect better services from a company which is theirs and which they own since their taxes assure its existence. It is not reasonable for individuals to be unaware of the costs incurred by a company which belongs to them.

In the transport field, services should be compared to the profits realized by the undertaking. It is not proper to

be subjected to the incivilities and sarcastic remarks of a minister whose support is requested.

Mr. Speaker, Bill C-48 will increase the power of the minister to the detriment of the Canadian Transport Commission. It is unfortunate that it should be thought that he does not know what to do with his powers, that he is not interested in his department and that he does not give a darn about the needs of the people.

Mr. Speaker, for years now the government has been promising appropriate measures. This bill does not solve all the problems; it should be more complete to spare us having to study an omnibus bill dealing with all aspects of transport in Canada with a view to finding concrete solutions.

Mr. Speaker, Canada now has a deplorable railway system. The slowness of its services, the outrageous cost of the food served to the passengers, the poor condition of the tracks, to name but a few, must be looked into. Canadians give millions of dollars every year to the railway companies. They have the right to demand adequate services, to know how their money is spent, to find out exactly how much freight transportation costs.

Mr. Speaker, Bill C-48 really changes nothing in what already existed since the governor in council and the Canadian Transport Commission could already use it. Section 331.4(2) states that if a railway company refuses to conform to a request from the minister, the minister may exercise the power available to him under National Transportation Act section 82, as an emergency measure. As I said earlier, the bill increases authority that the minister could not use adequately in the past.

I am convinced, Mr. Speaker, that railways are badly administered. I am also convinced that this could have been rectified without Bill C-48. This is why I say that the bill is only a screen to postpone the study of adequate solutions to transportation problems, a study which we consider vital. This is why, Mr. Speaker, I urge the government to end the study of this bill as soon as possible since it brings no concrete answer to present problems. This is why I say that the minister is not behaving sensibly. I refer to the question which I asked him on March 10. I then asked if it would be possible to investigate railway transportation services in northwestern Quebec, where the situation was deplorable, since a parcel could take up to 15 days to go from Montreal to Val-d'Or. Yesterday, I received a press release from my area which said that a dealer had ordered on January 24 a part which he needed urgently and that he received it only on March 18.

That is why I am saying that the minister does not care for the problems of far away regions like Abitibi, Lac-Saint-Jean and Gaspésie.

[*English*]

Mr. Smith (Saint-Jean): Mr. Speaker, I would ask the unanimous consent of the House to present a report.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

Fifth report of Standing Committee on Agriculture—Mr. Smith (Saint-Jean).

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

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

AMENDMENT TO GIVE AUTHORITY TO MINISTER TO ACQUIRE CERTAIN COST INFORMATION FROM COMPANIES

The House resumed consideration of the motion of Mr. Marchand (Langelier) that Bill C-48, to amend the Railway Act, be read the third time and do pass.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, perhaps I should reply briefly to some of the points raised by the hon. member for Vegreville (Mr. Mazankowski) in his contribution to our discussion on third reading of Bill C-48. While the bill does not contain a large number of provisions, its production has already had a positive effect in increasing the supply of information from the railroad companies to the provinces concerned.

As has been pointed out, the bill makes provision for the exchange of information between governments on a confidential basis, but this does not limit its value in dealing with the whole subject of freight rates. It is understandable that the railway companies should not be anxious to see all their confidential data passed on to other competing modes of transportation. The fact is that the railroads have already been providing to the Minister of Transport (Mr. Marchand), and through him to the provinces, information on a large number of items and in response to a number of requests submitted to the department following the western economic opportunities conference. The railway companies have also been providing information relative to other inquiries put forward by the prairie provinces as well as in connection with other studies which are under way, including the rail roadbed study.

The hon. member for Vegreville made a very good point in that much of the information derived from these studies should soon be made available on a wider basis. The federal-provincial committee on western transportation

was set up between the Minister of Transport and the four western ministers responsible for transportation. The arrangement is that the studies remain confidential. However, I certainly agree with the hon. member that we should seek to expand that particular reference. I am sure the minister and the provinces, too, would agree with this approach as we move further along the road to getting a better understanding of the issue.

We have all heard about the inequities which exist. The difficulty has been to define them specifically. I hope that in the coming months we can make available to the transport committee more of the information which has been gathered in some of the studies to which the hon. member referred.

There is one other point on which I might comment. An inquiries procedure has been announced with respect to the examination of the 6,000 miles of branch lines presently in the "in-between" category, that is, whether or not they will be a permanent part of the system. I can tell the hon. member and the House that further detailed announcements on the matter should be made by the Minister of Transport and the minister responsible for the Wheat Board (Mr. Lang) within the next week. These will set out the nature of the inquiries and the kind of information and answers it is hoped the inquiries will produce. I agree with the hon. member that we will have to move fairly rapidly in dealing with this question.

● (1410)

Let me point out to him that the uncertainty in respect of these rail lines has been with us for a long time, as I am sure he is aware. Abandonments have been frozen, deferred and put off indefinitely, while the grain companies and the people living in the communities affected, as well as others who might be looking at these areas for future industrial development, want to know whether they will have a rail line. These difficulties have been with us for a long time, and the purpose of these inquiries is to try to clarify some of the very matters about which the hon. member for Vegreville is concerned.

I think when the hon. member hears the details of the inquiries process and how they are to be conducted, he will be happy with the approach; and I can assure him of the full co-operation of the minister and the ministry. Certainly, if we are to clarify some of the questions and issues which are of very deep concern to western Canada, we will need to get some of these answers—and that is what the whole inquiries process is all about. These inquiries will be looking into some of the problems of rebuilding and improving branch lines, as well as the whole grain collection system.

The hon. member made reference to a broader type of information bill which will involve modes of transportation other than rail. That will be coming in the future. The hon. member points out, quite rightly, that a good deal of the transportation on the prairies is carried out by truck. If we exclude bulk commodities such as potash, grain and coal, it is pretty well even in distribution as between rail and truck. The over-all information bill will be designed to provide the government with the information on these other modes of transportation needed for the development

of the kind of policies which will meet the needs of the various areas of Canada.

As my primary interest is in western Canada, I can assure the hon. member of the co-operation of the government side of the House in trying to obtain some of these answers. Bill C-48 is an auspicious beginning in that regard. This process is now working very well in giving us the kind of information we need to set the stage for the development of policies which will resolve some of the concerns of western Canada and other parts of the country.

Mr. J. R. Ellis (Hastings): Mr. Speaker, like the previous speaker, I intend to comment only briefly on Bill C-48, a bill which in my opinion is nothing more than window-dressing. I am sorry that the parliamentary secretary did not more clearly enunciate the reason for bringing this bill before us; he did not justify the purpose of the bill at all. We have known for a long time that something was required to bring out the facts in respect of freight rate issues. I do not know why this has not been done before, in view of the fact that the authority was already in existence either through the governor in council or the Canadian Transport Commission.

I have only been a member of this House for a few years, but in the years before that there were many debates on freight rates, an issue which has been a bone of contention in Canada for many years. While it is fine to agree with the provinces, as happened at the western economic opportunities conference a couple of years ago, that this information is necessary, surely it could have been made public long before now. Surely this information could have been collected for the Minister of Transport (Mr. Marchand) in the past and made a matter of public record. Surely the minister should have reacted by taking the initiative, in view of the demand and the number of requests in respect of this information. The minister has had the authority all along to take this initiative and straighten the matter out. He has claimed many times that these matters are beyond his control. I suggest that the principle, the need and the ability may be beyond his comprehension, but they certainly are not beyond his control.

One of the studies in which I am greatly interested was not mentioned by the hon. member for Vegreville (Mr. Mazankowski). I understand the study has been on the desk of the minister for almost two years and has been upgraded twice because of changing economic conditions. I refer to the study in regard to rail passenger transportation. I realize that this is a deviation from the issue before us, but it is a very current and pressing matter. The suggestions of the two major railways in this country have been kicking around for some time. In answer to a question I asked a few weeks ago, the minister would only say that he had just started to look at the study. If it has been available for a couple of years and he has just started to consider it, I wonder how long we will have to wait before getting satisfaction. Perhaps the parliamentary secretary would undertake to see if he can have this study made public as well, so that some of us can look at it.

We have only had two spokesmen from this party in respect of the bill but they are two of the most knowledgeable men in the House of Commons on rail transportation and freight rates. I refer to the hon. member for Lisgar

(Mr. Murta) and the hon. member for Vegreville. I want to add to their comments by saying that while we agree to the passage of this legislation, we feel very strongly that the delay of the last two years has been nothing more than putting aside something for which the minister is responsible and which should have been taken care of a long time ago.

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

Some hon. Members: Question.

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

* * *

CIVIL SERVICE INSURANCE ACT

AMENDMENTS TO PROVISIONS RELATING TO CHILDREN AND UNMARRIED WOMEN

Hon. C. M. Drury (for the Minister of Finance) moved that Bill C-26, to amend the Civil Service Insurance Act, as reported (without amendment) from the Standing Committee on Miscellaneous Estimates, be concurred in.

Motion agreed to.

Mr. Drury (for the Minister of Finance) moved that the bill be read the third time and do pass.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I think it is worthwhile noting that this bill takes care of some difficulties that have existed in the statute and is administrative only, to a great degree. Let me call the attention of the House to the extension of the meaning of the word "children" to include adopted children. I understand there has been some difficulty experienced from time to time in that regard, and this extension will be a welcome addition to the statute law. In addition, the bill will remove a difference, in terms of status in law, between married and unmarried women, thereby correcting a situation which has existed in respect of the children of unmarried female public servants.

● (1420)

All in all, I think the amendments are sound. I am particularly pleased to see, in clause 12 of the bill, that there has been an attempt by the government and the framer of the bill to bring its language into line so that it corresponds with the uniform insurance act provisions which apply in the provinces. This will limit to as great a degree as possible any misunderstanding that might have arisen. I want the government House leader to know that we support this bill and think it is very good legislation for the purpose of cleaning up the law in this particular respect.

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

Cultural Property

CULTURAL PROPERTY EXPORT AND IMPORT ACT

MEASURE RESPECTING EXPORT OF CULTURAL PROPERTY AND IMPORT OF CULTURAL PROPERTY ILLEGALLY EXPORTED FROM FOREIGN STATES

The House proceeded to the consideration of Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states, as reported (with amendments) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Hon. James Hugh Faulkner (Secretary of State) moved:

That Bill C-33, An Act respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states, be amended by striking out lines 27 to 40 on page 8 thereof and lines 1 to 12 on page 9 thereof and substituting therefor the following:

"Export Review Board, consisting of a chairman and not less than six or more than twelve other members appointed by the governor in council on the recommendation of the minister.

(2) The members of the Review Board other than the chairman shall be chosen in equal numbers

(a) from among officers, members or employees of art galleries, museums, archives, libraries or other similar institutions in Canada; and

(b) from among residents of Canada who are dealers in or collectors of art, antiques or other objects that form part of the national heritage.

(3) The Review Board may authorize one of its members to act as chairman in the event of the absence or incapacity of the chairman or if the office of chairman is vacant.

(4) Three members, at least one of whom is a person described in paragraph (2)(a) and one of whom is a person described in paragraph (2)(b), constitute a quorum of the Review Board."

He said: Mr. Speaker, I might say just a word or two at the report stage of this important piece of legislation. We discussed its philosophy and provisions at second reading stage and also before the committee. Therefore, today I should simply like, first of all, to express my warmest appreciation to hon. members on all sides of the House who were members of the Standing Committee on Broadcasting, Films and Assistance to the Arts for the very thoughtful and expeditious way they dealt with the bill. I would also point out to hon. members who were not members of the committee that there were amendments proposed at the committee stage some of which were adopted and some of which were not.

One amendment would reduce the value limit for archives, under the provisions for the control lists, from $1,000 to $500. This was a recommendation put to us by archivists generally and by the Dominion Archivist. Another important amendment extends the tax relief, in the case of a referral to the review board for an income tax certificate, to include national treasures less than 50 years old and made by a living person but which are not subject to export control. I think these two amendments strengthen the bill.

While expressing my appreciation to hon. members, may I also express appreciation for the very generous co-operation of the Minister of Finance (Mr. Turner) who showed particular sensitivity with respect to the problem we were attempting to tackle in ensuring that we incorporated the delicate balance between constraints and incentives which

is necessary to guarantee successful implementation of this legislation. The amendment which is now before the House at the report stage was discussed, and I think favourably endorsed, by members of the committee from all parties. However, we were not able to deal with it at the committee stage because it required a new royal recommendation, which is before us now, plus the amendment.

The purpose of the amendment is simple. It is to increase the number of members of the board, to allow the board to have increased flexibility and also greater administrative efficiency. I thank hon. members on all sides of the House for their co-operation, and commend to the House the amendment and the bill.

Mr. Arnold Malone (Battle River): Mr. Speaker, I should like to start by saying it is a pleasure to be able to speak on this bill and offer endorsation of what I believe is basically a good piece of legislation. This is really, in essence, what one might call apple pie legislation, but I think it is good apple pie so I believe there will be support for it in the House. There are, however, a number of concerns about the bill, although they are not absolutely devastating, which ought to be aired at this time and perhaps given further consideration as we study the whole complex question in the field of culture and cultural development.

First, as a basis for this discussion, I wish to say that no country really knows the limits of its greatness without taking time to establish what are its roots. Any policy or legislation which assists a nation in preserving its history and protecting its culture is the type of legislation we should all underwrite. I think it is particularly important in a country as young as Canada that we should do all that is important for the preservation of its history. In fact, many people hardly think of Canada as a nation with a historical reference. There are many people in this nation who can almost remember back to the time when this country was started, and on that basis Canadian often conclude that we do not have a historical past, when in fact history is simply human beings in progress. There must be a period in which that progress develops so that we become fully appreciative of that which went before.

So, speaking on this bill, we note there are two principal purposes put forward. The first is to protect us against unwarranted exports of treasures deemed to be of national historic value and, second, to establish a tax advantage for those collectors who assist in developing collections that are in the national interest and which are to be displayed. Having said that, I wish to digress for a few moments in talking about culture and the protection of culture. First of all I wish to underscore something which I think is of tremendous importance. Culture has no rights or wrongs except as judged by other cultures. The sets of values we have across the world are always in conflict when one culture views another. But these conflicts do not exist within the domain of right and wrong at any given point within a culture. So when we take a look at people in certain Mediterranean countries and in Spain, we note that there are people who stand extremely close and yet have different values. Sometimes we even chuckle at that, but the fact is it is the difference between cultures which makes this something we do not fully appreciate or understand.

My point is that culture is not a fixed identity but, rather, a process in motion which is always in a state of change. I wish to underscore the fact that once government enters the field of doing something about culture, it may run into the danger of starting to attempt to underline what is right and wrong in respect of culture, trying to define what it should be and telling its citizens what their values ought to be. I think the role of the government, clearly, should be simply to record and preserve for historical reference, without any determination to attempt to direct or dictate, under those situations, what our values ought to be.

● (1430)

While underlining that this is good legislation, one also recognizes that because the government now has some influence on what pieces of art, artifacts and cultural activities are good in the national interest, it certainly runs the danger of directing its citizens in terms of influencing them as to what values the government thinks it should have.

Another concern I have about this legislation is with regard to the words "in the national interest." It seems to me that when we consider a piece of legislation in regard to art, artifacts and our cultural heritage, we can certainly wonder at what point these things come to be in the national interest. If we could go back in our imagination for a few moments to some of the war pieces which might have been left on the Plains of Abraham immediately following the war, they would not have been of interest to the prairie provinces or British Columbia if for no other reason than the fact that those provinces had not at that time even been named.

What is of regional interest today may well be of national interest 50 or 100 years from now, but the type of legislation being put forth lends itself to emphasizing the national interest. When one really looks at what is happening in museums and archives today, a large part of the whole national development of the protection of culture is the succession of little museums and little archives dotted across Canada, many of them having particular emphasis on regional and local concerns. Many of these museums will have tremendous importance later in history but may not at the present time be appreciated as being of national interest.

I think the point ought to be made that this legislation does not go far enough in protecting the cultural values of Canadians because it means that something must necessarily be classified as being of national interest before it can be fully protected. Associated with that is another concern I have about this legislation, namely, what happens to the bits of information and artifacts which are protected in some regional place when they do come to be of national interest? If something is being preserved in a museum in Nova Scotia, Newfoundland, Quebec, British Columbia or the Northwest Territories and suddenly it is deemed to be of national interest, does this mean the local community will give up some of its own collection so that it may be preserved for the national interest? If that is so, I think it is another serious danger in terms of this

legislation and it ought to be reviewed as to its real purposes.

Another concern about the national interest deals with the field of art. We note that if a piece of art reaches such prominence that it is deemed to be of national importance, it will then be retained and held within Canada. I think we must be cognizant of the fact that in many fields of art it is not only important to be recognized within one's own country, but often a part of achieving greatness is being recognized internationally, and obviously it would be difficult to be recognized internationally if the arts, artifacts and writings are deemed of such importance that they are held within this country. While I fully concur with the legislation, I think there should always be concern for those who espouse to greatness if recognition in the international forum will in some way limit them from achieving this.

Another concern that I have is the competition between the regions and the nation. I think it is important that we give all due emphasis to trying to perpetuate this legislation to the maximum degree possible—perhaps there could even be consideration at future dates in this respect—so that there will be the kind of promotion which will protect not just the national interest but will also assist regions and small communities to protect their cultural heritage, because surely it is the collection of all the communities of Canada which constitutes the major national issue and national importance.

I suggest that the minister has proposed two good amendments to the legislation. Both of them are important and I am pleased that they have been introduced. I think they have strengthened the legislation considerably and we appreciate that. There is the question of expropriation in the national interest. It is important to an artist to be recognized throughout the world. Therefore, I think it should be underlined in viewing this legislation that all due consideration ought to be given to any Canadian developing, in a cultural sense, artifacts, writings and paintings for us so that they also have an opportunity to seek international greatness and are not necessarily confined within the Canadian framework, because greatness cannot really be achieved if we hold everything in too tight a fist under the guise of nationalism.

Finally, I must say that I was extraordinarily pleased that the minister did not choose to exercise personal discretion as to the artists but has left that to the independent bodies which he has established within the limits of the legislation. I think it is important that we do not allow government bodies, and particularly ministers of the Crown, to get into the position of establishing for the Canadian people what is or what is not culture. I know there was some discussion in committee that perhaps the minister ought to have exercised more authority in protecting Canadian art.

While I know there are arguments which would certainly permit at least consideration and discussion of that point, I am pleased that in the final analysis the minister resisted because I think that in the long run, while we will lose in a few instances, we will at least avoid the danger, with very tight control, of anybody, for political reasons, being in a position to establish what our values are and what is good culture. I am pleased that it will, instead, be an independent body which will be discussing and determining what Canada's culture is, what our values are and what in the long run is of national interest.

I shall conclude at this point by saying that this is a piece of legislation to which we should find no difficulty in lending our support. I have outlined what I think are a few concerns. For emphasis, I would like to reiterate that I think everything possible ought to be done to make sure that we protect our culture, while at the same time doing as little as possible, as a government, to determine what culture is. While sometimes it may not be appreciated in its historical reference, I think it is always a part of the changing complexity of human beings, and it is simply the role of government to record and register, but not to determine, that which is good value or that which is bad value.

● (1440)

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it is a great pleasure for me to join my colleague, the hon. member for Battle River (Mr. Malone), who has spoken with great perception, brilliance and eloquence on a very important matter. I also congratulate the minister. I think it is the first time I have had an opportunity to address myself to an initiative of his, and I think this is a very worthy one.

This bill has been carefully examined in the committee and at the second reading stage. My colleague, the hon. member for Edmonton West (Mr. Lambert), who is a very perceptive man, found both a few hooks and a few harpoons in it and I think we will want to watch for these in the future. I know that the amendments have made improvements, as any good amendment should, and I predict that in the future there may be need for a little more redrafting of this bill because, as we all know, this is a forward step, one that was long delayed but should be all the more welcome.

I have long been pleading in the House for a little more attention to our cultural heritage. We have wasted so much and squandered so much, and on many occasions sold so much, that we should have retained and appreciated. I am never content that the residence of our first prime minister is in the possession of another government, or that the long-time residence of our great and first internationalist, Sir Robert Borden, has passed on into destruction. It should be the residence of either the Speaker of the House or the Leader of the Opposition. But that is all in the past, and now I hope that we have learned the lesson. We are at the stage in our development—and I note which bill is coming next—when we have ravaged our natural environment, so now we shudder at the prospects of what might happen unless we take environmental heed. So, also, in our historic and cultural environment we have been far too careless and heedless, and almost any country in the world could teach us lessons in archival and museum matters.

I think that in all of this debate perhaps too little attention has been given to the fact that this measure is a mere buttress to what has been going on in the private sector. I am very much heartened by the various heritage organizations which are functioning in provinces such as Prince Edward Island and on the dominion scene. The

government sector cannot do it all alone, nor can the private sector. I like the provisions in this bill whereby the governmental sector may give leadership but not pre-empt the whole field.

On this quiet Friday afternoon, when we are all motivated by the finest of thoughts, at our best behaviour and with the most modest of demeanours, I will follow my usual custom and give the House an example of brevity. I would like to quote someone whom I have quoted many times before, one of the wisest public men we have ever produced. He is a man whose advice has been heeded or is being heeded in part on this day, a man who gave this advice 104 years ago. I refer to the great Joseph Howe, who said:

> A wise nation preserves its records, gathers up its muniments, decorates the tombs of its illustrious dead, repairs its great public structures, and fosters national pride and love of country, by perpetual reference to the sacrifices and glories of the past.

In so far as the minister is helping in that tradition, I wish him well and wish the bill speedy passage.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I will be very brief because I outlined the opinion of the NDP on Bill C-33 in the second reading debate back on February 7, as well as in committee. I commend the minister for bringing forth the bill, which we accept and support in principle, a bill to protect the export of historic and cultural treasures. The minister knows my criticisms of the bill, the fact that there are loopholes so that in the end there is no way in which there can be an absolute prohibition to export national treasures.

The minister is also aware of our criticism of the granting of tax concessions to the owner of an object that is designated as being of historical or cultural value in order to discourage him from exporting the object. I certainly do not object to the idea of granting tax concessions to those who donate such an object to a recognized museum or art gallery but, as I said to the minister in the debate in committee, I am worried that perhaps some speculators in art objects and historical treasures will be able to take advantage of the tax concession provisions in this bill and do something that the minister does not intend to be done in order to protect our historical treasures.

I am sorry that the minister was unable to accept my arguments in committee in an effort to try to close these loopholes. I have always commended the minister on being so co-operative and for his forward-thinking. We had an honest disagreement on this point. I hope I am not proven correct and that it will not be an avenue open to art speculators to take advantage of the situation under the provisions of this act. If that should occur, I know that the minister is a man who is reasonable enough so that when representations are made he will consider very seriously making appropriate amendments to the bill.

With those reservations, I conclude that the bill is in general a very good one. It is long overdue, but it represents an attempt to protect what we Canadians should be proud of from the point of view of our history and our art work. I hope that the bill will prove to be workable and successful in this area, and I commend the minister for finally introducing it and for his co-operation with the committee in ensuring its speedy passage.

[Mr. Macquarrie.]

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, on behalf of my party I want to congratulate the minister for introducing the legislation that all Canadians were probably expecting for some time.

Running through the bill I find the committee did an excellent job, and I hope the provisions contained in this bill will be implemented. It is not good enough, Mr. Speaker, to pass legislation, to introduce a bill; above all, it must be implemented.

Today, with the development of Canada, I think it is very important that we have a group of men, of technicians capable of monitoring the movements of our works of art since the purpose of the legislation is to protect our culture, our national heritage, for historical purposes.

History is the summary of our origins and the image of the ways and customs of our ancestors. So we must avoid, Mr. Speaker—and I think it will be the work of the commissioners—turning our works of art, our museum exhibits, into marketing goods. The lure of profit making is always dangerous. I again congratulate the minister when I see on this cultural property export list the proposed control on various items such as provided at subclause (a) on page 3:

> (a) objects of any value that are of archeological, prehistorical, historical, artistic or scientific interest and that have been recovered from the soil of Canada, the territorial sea—

And at sub-clause (b):

> (b) objects that were made by . . . the aboriginal peoples of Canada—

It is quite important for us Canadians to have souvenirs, works from all areas of this country. Just last week I visited an exhibition of Canadian Innuit and Indian natives works. They are marvelous works. Included also in those categories are:

> (i) glassware, ceramics, textiles, woodenware and works in base metals that have a fair market value in Canada of more than five hundred dollars—

Mr. Speaker, excluded from the control list are all objects less than 50 years old. As long as an artist is intensively producing, and as long as his patrons are still living, a government could hardly meddle with his work. After a 50-year period, however, I feel that the government should keep an eye on the movements of his production, and I hope that the committee will be alert and the experts appointed to check the works of art wholly devoted to their task and careful not to become museum pieces themselves, for it is said that 50 years are necessary to become a museum piece. I hope that the senior experts, termed as "technocrats" by some, will not be around after 50 years to become museum pieces. This commission therefore will be working in the interest of Canadians and to safeguard our Canadian heritage throughout Canada.

● (1450)

[*English*]

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I can assure you I will be brief, but there are a few things I want to say about this piece of legislation. First of all may I say how fortunate I felt to be able to participate in this particular committee. I think it was an excellent committee in terms of co-operation and sincerity, and I compli-

ment all those involved, particularly those who appeared to give expert testimony. I also complement the minister on the flexibility that he and his colleagues showed in accepting amendments, particularly those from our party which his experts helped draft. I believe these amendments will improve the legislation, as will the amendments now proposed by the minister which I support.

At committee stage there was considerable discussion about funding. I realize the quandry in which the minister finds himself when he deals with the prospect of non-lapsing accounts. I know very well the attitude of the Auditor General and the Treasury Board and I can only hope that those who have responsibility for administering this legislation will not be hindered by the fact that there was good reason, I believe, for not affording them the flexibility they might have preferred in a non-lapsing account.

I am happy to see the hon. member for Maisonneuve-Rosemont (Mr. Joyal) in the chamber. I believe he contributed a great deal toward the committee study of this legislation and I think his proposed amendments would have added another dimension to the legislation. Those amendments would have affected that part of the bill which afforded local or regional cultural pieces of property the same importance as property that has a national dimension. The legislation now before us demands that the property have national importance. I thought the proposed amendments of the hon. member for Maisonneuve-Rosemont would have offered a good deal more flexibility to the legislation. I hope that just because these amendments are not before us they are not completely out of mind. I think that at some stage in the future of this legislation serious consideration should be given by the minister and his department to inclusion of local and regional artifacts.

I appreciate the conflict in which we all find ourselves with respect to the tax advantage and the financial aspects of that part of the legislation. Speaking personally, however, I found that the hon. member's arguments in support of his proposed amendments were compelling. I reiterate that although they are not in the legislation I hope they will not be completely forgotten.

In closing, Mr. Speaker, may I again compliment the minister and say to those who have the responsibility for discharge of this legislation that I wish them well in their deliberations. I am sure they will bring to it the integrity it demands. I wish them well.

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, my first words are addressed to the hon. Leader of the Opposition (Mr. Stanfield) to express to him the satisfaction I had in working with two of his colleagues, the hon. member for Fundy-Royal (Mr. Fairweather) and the hon. member for Perth-Wilmot (Mr. Jarvis). The hon. member for Perth-Wilmot introduced two amendments which I, along with some of my colleagues, supported. I am sure they will significantly improve the objective of the bill.

[*Translation*]

I would also thank Mr. Ian Clark, a special advisor of the Arts and Culture Branch of the Secretary of State, who attended all the proceedings of the committee, and took a significant part in the debate on this bill, in order that it will round out the cultural policy initiated in 1971 by the Secretary of State (Mr. Faulkner).

I would also remind the House that during those debates, I myself had the opportunity to move two amendments. I humbly inform the House that one of them had to be withdrawn because it did not come within the requirements of the royal recommendation of that bill, and I withdrew the other one myself following the talks I had with the Minister of Finance (Mr. Turner).

May I remind hon. members of the objectives of that proposed amendment. I think it is important to do so. The hon. member who spoke before me outlined them, and I believe in a very near future this House will have to reconsider its purposes.

I remind hon. members that the suggestion was to withdraw clause 8 of the bill so that any object that must be submitted to the review board would not necessarily be referred to as meeting the degree of national importance.

As a matter of fact, when the Secretary of State made a statement in 1972 concerning his national museum policy, he put a special emphasis on the promotion and development of private museums. But the development of most private museums throughout our history was made possible through the gifts and generosity of patrons of arts who very frequently were at the origin of their collections. Even the National Gallery of Canada was significantly helped by gifts from the private sector since 1968. According to the report I got from the National Gallery of Canada, during the financial year 1968-69, the gallery was offered art works amounting to a total of $403,550; in 1969-70, the gifts amounted to $30,000; in 1970-71, to $930,000; in 1971-72, to $96,000; in 1972-73, to $45,000, and in 1973-74, to $600,000.

● (1500)

[*English*]

The explanation for the unusually high totals for 1968-69, 1970-71 and 1973-74 lies in three unusually generous gifts involving many works—in 1968-69 the bequest of the Right Hon. Vincent Massey; in 1970-71 gifts from the Douglas M. Duncan collection; and in 1973-74 gifts from the Samuel Bronfman collection.

[*Translation*]

Mr. Speaker, I believe people are aware of the considerable amounts of money that have been handed over to the National Gallery of Canada and especially the spirit in which these grants have been made.

There is no doubt that the bill, as now written and introduced to the House, will allow and encourage private philanthropists to continue their largess with public institutions.

The bill I introduced, Mr. Speaker, was specifically intended to increase tax exemptions in the case of gifts to private museums.

Indeed, it often happens that works given or sold to private institutions do not meet the national criteria the bill will adopt.

Still, most of those works are of fundamental importance to the completion of those collections, especially to encourage the study of arts and sciences.

Mr. Speaker, after the act has been in effect for one year, it might be well, in the report to be made to the House on the application, to consider whether or not its benefits should not be extended to those institutions.

I think, Mr. Speaker, that the co-operation and mutual aid which hon. members opposite have shown, especially the special welcome given to that measure, surely represent a further step in the development by our government of a stronger national and cultural policy for the benefit of private institutions.

Indeed, I do not have to remind you, Mr. Speaker, that in totalitarian countries where cultural affairs become a service under the exclusive jurisdiction of the government, quite often the cultural activities and the cultural life of those countries have been so much impoverished that their contribution at the international level has significantly been reduced.

In countries of liberal tradition, we have rather realized that the role of government should be to give greater support to private initiative and institutions active in that area.

I believe the cultural policy put forward by the Secretary of State since 1970 tends precisely to encourage and enable private institutions to have as much influence as possible.

The proposed amendment moved was in keeping with this general view. I have no doubt that next year when we shall be in a position to appreciate the results, I shall be able to obtain the support of opposition members for the adoption of the bill by the House.

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

Some hon. Members: Agreed.

Motion (Mr. Faulkner) agreed to.

Mr. Faulkner moved:

That Bill C-33, an Act respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states, as reported (with an amendment) from the Standing Committee on Broadcasting, Film and Assistance to the Arts, be concurred in.

Motion agreed to.

Hon. James Hugh Faulkner (Secretary of State) moved that the bill be read the third time and do pass.

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

* * *

[English]

ENVIRONMENTAL CONTAMINANTS ACT

MEASURES TO PROTECT HUMAN HEALTH AND ENVIRONMENT FROM CONTAMINANTS

The House resumed from Monday, December 16, 1974, consideration of the motion of Mr. Sharp (for the Minister of the Environment) that Bill C-25, to protect human health and the environment, be read the second time and referred to the Standing Committee on Fisheries and Forestry; and the amendment thereto of Mr. Fairweather (p. 2251).

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, when debate on this bill concluded on December 16, 1974, the hon. member for Fraser Valley West (Mr. Wenman) was in the middle of an eloquent and effective speech. Today he is in British Columbia serving the needs of his constituents and cannot be here to carry on the debate. He looks forward to contributing actively in committee and on third reading, or on second reading if we do not read the bill the second time today.

As I have been fighting that natural environmental contaminant, the flu, for most of this week, my comments will be more moderate than usual.

An hon. Member: Save your voice and make a short speech.

Mr. Clark (Rocky Mountain): The minister generously suggests I should conserve my voice and speak briefly. As she and the House should know, I only address myself to urgent and important matters.

We welcome this opportunity to debate the bill once more and hope it will be referred to committee. As spokesmen of my party have said previously, we welcome and approve the aims of the bill, which has become known as the environmental contaminants bill. I certainly agree with the intention of the bill, which is to prevent harmful contamination, and to prevent problems connected with contamination from arising.

Because we are committed to supporting its aims we deeply regret that the bill as drafted will hinder the attainment of its aims in far too many cases. The key to the legislation, as other speakers on my side made clear earlier, is contained in clause 4(1) of the bill, which reads in part:

> Where the minister and the Minister of National Health and Welfare have reason to believe that a substance is entering or will enter the environment in a quantity or concentration or under conditions that they have reason to believe constitute or will constitute a significant danger to human health or the environment . . .

In other words, the operation of this legislation is contingent upon the minister or ministers having reason to believe, having reason to be suspicious, that something is happening which should cause them to activate the mechanism provided in this piece of legislation. The bill when enacted is to come into force only on the arousing of a suspicion. Only that will bring its provisions into force. Without that the Department of the Environment and the Department of National Health and Welfare will do nothing. In the absence of suspicion or "reason to believe", their role is to be completely passive.

The question we have the right to ask and which I hope the minister will answer later if she speaks this afternoon or in committee is, how is this suspicion to arise? How can we and the people of Canada be sure that the Minister of the Environment (Mrs. Sauvé) and the Minister of National Health and Welfare (Mr. Lalonde) will have adequate cause to know that a danger is arising which will require the provisions of this legislation to be put into force. Are they to rely on divine inspiration or on some sort of

extrasensory perception? Are they to rely on little birds flitting around or alighting on their shoulders—

An hon. Member: If they don't die.

Mr. Clark (Rocky Mountain): —if they don't die, to be sure—and whispering in the ear, "Madam Minister," or "Mr. Minister, there is something here which you should look at, something which looks suspicious, to correct which you will need to invoke the provisions of the act"? In the absence of ESP and little birds fluttering around and settling on ministers' shoulders, how will the ministers know about dangers arising in this country which require the bringing into force of the act? There is no other way that this bill, the nature of which we applaud, can come into effect.

● (1510)

An hon. Member: Unless we have a disaster.

Mr. Clark (Rocky Mountain): That is the other point, the one we have to avoid—unless we have a disaster. The very real danger with this bill, which poses as reform, is that we will only be able to make use of it when it is too late. In other words this bill would only be used as a curative and not as a preventive measure. That not only offends the requirements of Canada to have legislation that is preventive, but it also offends and rebuts the very basis upon which this bill is introduced in the House.

We have been told that the bill is a preventive measure. However, there is no way by which we can be assured that the prevention will in fact occur, or that it will be anything other than a band-aid cure after a disaster has occurred. It may be that with good luck on some occasions either the Minister of the Environment or the Minister of National Health and Welfare will have enough information in advance to cause the mechanism in this bill to move into action. That may happen from time to time, but surely we cannot accept as satisfactory a bill that may only work occasionally. The people of Canada require a much more reliable guarantee, but we do not get that in this bill.

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): Other hon. members have pointed out that in this age of invention and modification between 50 and 100 new substances are introduced into the environment each year. How is the minister going to be alerted to the dangers that each of those pose with simply the mechanism in this bill? Is she going to wait for little birds to flutter down or, and this is more dangerous, wait for some disaster to occur to which she has to respond?

The bill has other weaknesses, and I intend to refer to them. The greatest weakness is that the bill, as it stands, may never be used because there is no trigger mechanism. There is no guaranteed way by which a minister of the Crown can become seized of knowledge which will cause the bill to be brought into effect. If the bill, on its face and in its provisions, holds the weakness that it may never be used, it is a pretty bad bill and requires substantial amendment by this House.

The bill is not preventive. I make that emphasis because there have been suggestions by the minister, her parliamentary secretary, and others who have spoken both inside and outside this House that the bill marks a major change, a change from simply a curative approach dealing with disasters or problems after they have arisen toward a preventive approach, trying to foresee these problems and stop them before they occur.

As I pointed out, the fundamental fault with the bill is that there is no reliable early warning to the minister. That means the bill is not preventive. To call it that is to make a sham of the suggestion. By definition this bill begins to work only after the danger exists.

Many of us in this House are acquainted with the use of the word preventive. We have heard it in terms of preventive welfare and preventive police work. The idea of preventive welfare is to stop welfare cases occurring before they do. Preventive police work is to stop crime before it starts.

The bill is based on what I call a complaints desk theory. If the minister were running a police department she would only have a complaints desk. She would not have any requirement that information come to her to show that there was a problem in the works which requires prevention. She would await a complaint. That is not adequate at a time like this, with a bill like this, and on a subject like the Canadian environment. Whatever else the bill might be, it is not preventive legislation.

The hon. member for Vancouver South (Mr. Fraser) suggested a very sensible solution to this fundamental deficiency in the bill before us. The solution would require manufacturers to file information on a regular basis regarding new products or projects being undertaken which may cause the kind of danger that we foresee and for which this bill has been designed. If the suggestion of the hon. member for Vancouver South were accepted, the government would have some cause for suspicion and some evidence which could trigger the mechanism which we are establishing in this legislation.

As the hon. member for Vancouver South and others have pointed out, there is a precedent for this requirement of regular filing. A precedent has been set in the Pest Control Products Act which this House, and the committee studying this bill, should look at very closely so that the bill can live up to its advertising and be in fact preventive and not simply a curative device.

The proposal put forward by the hon. member for Vancouver South would place some hardships on the manufacturers, but I do not think they would be substantial. When dealing with as important a matter as the environment, we in this House should not be deterred from doing what has to be done simply because that necessary action might cause some hardships for some manufacturers. If we allowed that kind of limitation to stop us from performing, we would not be doing anything at all in the environmental field. With this bill I very much fear that we are on the edge of doing nothing, unless we accept a suggestion such as that put forward by the hon. member for Vancouver South.

Let me deal for a moment more with the hardships that might be imposed upon certain manufacturers. In her comments in this debate the minister testified that some manufacturers were already making submissions to her

department and keeping her apprised of what they were doing. In other words, they are providing her with information that might trigger the mechanism being established in this bill. However, the fact that some are doing it is no guarantee that all will. The likelihood is that those who are not voluntarily providing this information are the very ones who should be providing it.

The minister's testimony indicates that while there might be a hardship involved for some manufacturers, it is not so substantial that it cannot be overcome. In fact it is being overcome. However, there is no guarantee that it is going to be overcome by those manufacturers against whom the bill should be directed. They should be affected by its provisions if we are serious about protecting the environment from hazards which may be caused by new products or new projects. We very much need that kind of guarantee, but we do not have it.

The major fault in this bill is that there is no means to trigger the mechanism which we are establishing. We must rely on blind luck, a little bird to perch on the minister's shoulder, or some other unlikely intervention to trigger the mechanism. There are other faults. As others have mentioned there is no operative clause in the bill to establish the schedule which the bill refers to throughout its base. I hope the minister, when she speaks later, will indicate her intention to amend the bill in such a way as to introduce an operative clause which will enable the establishment of the schedule, something which is necessary to the whole effectiveness of the machinery we are discussing.

● (1520)

There is another fault, if I may point to it. Again I am referring to Clause 4. Clause 4 is permissive, not mandatory. Thus, whenever the minister is visited by this little bird, this ubiquitous bird, she "may"—though she is not obliged to—take certain steps. I should like to know why the operative word in this clause is not mandatory. What circumstances would prevent the minister from taking action? Why is parliament not told of the circumstances which would prevent the minister from acting? There is no reason for bringing in this legislation if the minister, having been given the power, does not show any inclination to use it. I do not suspect the motives of the present Minister of the Environment; I believe that given the necessary power she would exercise it. But why should the word "may" appear in this context rather than the word "shall"? If the powers we are considering are not to be used, we are wasting time discussing them here, and later, in committee.

There are two other serious restraints in the consultation clause of the bill before us, that is, clause 5. Here, it is worth pointing out, mandatory language is used. When we talk about reference by the minister to the provinces and to other departments we find the word "shall" being used. But we use only the junior word "may" when it comes to ministerial action. The hon. lady may take action or not, but having decided to take action it is mandatory that she should consult with the provinces, and so on. Why should we use permissive language when it comes to putting the law into force, and later mandatory language with regard to processes which may very well limit the effectiveness of action once it has been decided upon?

[Mr. Clark (Rocky Mountain).]

The two parties set out in the bill with which the minister is required to consult are first the provinces, and second "any departments or agencies of the government of Canada as may be appropriate". There are obviously difficult questions of jurisdiction involved here vis-à-vis the provinces. In this context it is worth noting that, whenever a difficult question of jurisdiction arises regarding the control of natural resources, the federal government shows no hesitation about moving in; but when a difficult question of jurisdiction arises regarding the environment, hon. gentlemen opposite get bogged down with lawyers and excessive caution. Consultation with the provinces may be necessary in this case, but the language of the bill points to an interesting inconsistency in the approach taken by the federal government.

I should like to quote briefly at this point from a commentary on the bill prepared by the Canadian Environmental Law Association. I ask the indulgence of the House to read into the record two paragraphs from that report:

> Lawyers within the federal Department of Justice seem to have an unreasonable sense of trepidation in allowing that the federal government can make any environmental regulations. The consultative process required with the provinces before any substances are designated to make this act effective is reminiscent of the consultative constraints contained in the Canada Water Act. It is perhaps relevant to note that the Canada Water Act, although enacted in 1970, has been used only once to make any particular contaminant illegal.
>
> The Justice Department's constitutional "experts" appear again to have written legislation which looks powerful on paper but will be difficult, if not impossible, to put into effective practice (assuming the government really wants to put it into practice, which is another question).

That is the view of the Canadian Environmental Law Association. That is how it regards the approach taken by the federal government toward the admittedly difficult question of federal-provincial jurisdiction.

The other requirement to consult has to do, not with other governments, which have clear rights in law, but instead with departments or agencies of the Government of Canada.

It is easy to understand why there should be consultation with the provinces; it is much less easy to understand why consultation with other departments of government should be considered so important that the unusual step is taken of writing it into the statute. It is fair to say—and I say this as a layman, not as a lawyer, that it is probably justifiable to read the word consultation in this context as synonymous with the word veto. The fear I have—and it is shared by others who have watched the Department of the Environment act in other fields—is that the experience of the past may be repeated in connection with this requirement to consult with other agencies and departments.

We may have to conclude that this mandatory requirement to consult with other agencies and departments is in fact a provision which would allow those other agencies and departments to exercise a veto against actions which the Department of the Environment might be taking in the interests of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): This mandatory requirement to consult with other departments or agencies in order that they may be in a position in practice to exercise

a veto is very alarming to those of us who are interested in environmental questions. Of equal note is the fact that this is a particularly humiliating provision for the Department of the Environment to have to write into its own law. It confirms the fear which many of us have, both in this House and throughout the country, that the Department of the Environment is a second status department within the Government of Canada. This confirms our opinion that this is a department whose views are overridden, and that this is a department which wants to make a presentation before the Berger Inquiry but is persuaded by ministers of stronger departments to back off.

● (1530)

The reason we have this concern is that we have met, on so many other occasions, instances in which the Department of the Environment, instead of undertaking its own assessments of what the Department of Indian Affairs and Northern Development is doing, or what the Department of Regional Economic Expansion is doing, or what the Department of Transport is doing, requires these departments to make their assessments first and then it takes a second look at their work. It does not have the kind of initiating power that a Department of the Environment should have if it is going to be effective in preserving the environment of this country. For that we need a Department of the Environment with teeth.

The reasons we particularly regret this mandatory requirement to consult, which I think it would be sensible to read as creating the capacity for veto in other departments, is that it is so sadly consistent with the relatively second status role that the Department of the Environment has played far too often under this government. Let me make it clear that in saying this I mean no personal criticism of the minister—I think she does as well as she can—but that her colleagues are stacked against her. I think that is a situation which is very sad for those of us who are concerned about the maintenance of the Canadian environment.

If we were to write into the law a requirement regarding consultation on projects which involve the Department of the Environment it would be far preferable to have a provision which required other departments to consult with the Department of the Environment, so that the veto power, if there were to be one, would reside with the Department of the Environment. We have the reverse, and that is a matter which I and others here very much lament.

One suggestion I think might be considered by the minister, and I hope will be, and certainly we propose to pursue it in committee, is that if this humuliating clause, which requires the Department of the Environment to go to other departments before it does anything, stands, there at least should be a time limit written in so the provinces, in their cases, or other departments, in theirs, will have only a fixed and limited period of time in which they can make their objections known to the Department of the Environment. To some degree that would lessen the humiliation of this provision in the bill which is, as I say, humiliating to the department.

Let me turn briefly to the question of the adequacy of the testing of contaminants that are forecast in this particular bill. In the first instance, as this legislation is written, any tests would be undertaken by the manufacturer, and that of course assumes the small bird flies out of the air, or some divine inspiration strikes the minister to let her know there may be a danger. Even if the danger is detected, and that is a big if, and the fact that it has to be raised indicates a very vital flaw in this bill, then the first test is undertaken by the manufacturer, or the people who are in a sense creating the problem.

In most cases, I think we, as reasonable members of the House of Commons, would agree that the test undertaken by the manufacturer would be an adequate test, but I think it would be naive for us to say that, just because the test would be adequate in most cases, it could be relied upon to be adequate in all cases. I would be interested in hearing from the minister just how she intends to ensure the adequacy of testing, to see that the tests are not rigged by the manufacturer, under the legislation that she places before us.

I would be interested also in knowing how, under this provision, there is to be any assurance of uniformity of tests among competing companies, and that the same rigour is pursued by one company involved in introducing a particular new product as is pursued by another company. It is important to ask whether the fact that the Department of the Environment in moving the burden of testing to the producer will work in practice as a prejudice against smaller companies which might not have the capacity to test that some of the giant corporations and manufacturers possess.

If that is the case is there going to be a provision written into this legislation, or will some solid assurance be given the committee in this regard, that will allow the Department of the Environment to undertake these studies in an initiating stage rather than having to wait for a report from the manufacturer whose products are under consideration?

After receiving the report from the company which the minister has reason to believe might be introducing a dangerous contaminant, then the matter, according to this legislation, goes to the Environmental Board of Review which has substantial powers, in fact powers under the Inquiries Act. But the question still remains regarding the Environmental Review Board as to what capacity it has to test. It can adduce evidence, as I read the legislation, but as I read it there is nothing here to suggest that the board has the capacity to undertake tests.

My suspicion that the legislation is thus weakened is added to by what we know of the budget that has been granted to this agency so far. For the year beginning April 1, 1975, only $100,000 is set forth in the estimates to establish the Environmental Board of Review. We understand that is to be a board with three officers, and probably a staff. It could well be that the $100,000 in the first year of operation will be consumed in its entirety by staff expenditures and by advertising.

I mention advertising because all of us are a little apprehensive about the practices of the government in advertising virtues it does not possess. The most recent matter in the minds of most of us is the full-page ad that has appeared in newspapers all across Canada—I refer to it as the three stooges ad—which invites people to rush out

and buy an information booklet that has not been published, and will not be published for another two months. I think examples like that, and the advertising program of the former minister of state responsible for multiculturalism, give us cause to be concerned that expenditures of this kind will be diverted foolishly to advertising programs instead of being used to achieve the important purposes with which this legislation deals.

I understand that in the following year the program forecast of the department is for an expenditure by this board of between $600,000 and $700,000 a year. Perhaps that will be adequate to allow some kind of testing, although it may very well not be sufficient. I, for one, would be interested in knowing from the minister whether it is intended that this board of review is to have the capacity to test, or whether it will simply have to rely on the evidence submitted before it by various groups, including the manufacturers whose products are under question.

One other matter of some concern relating to the board is that, as I read the legislation, and it is always possible that my reading is at fault, it is not at all clear what is going to happen to the product involved while the board is sitting in judgment. Is that product prevented from being distributed during the time in which the board sits? Is it prevented from being developed during this time? Or are we in a situation where we have a board, which under the power of the Inquiries Act is required to hear all manner of witnesses, which could be sitting literally interminably during which time, unless there is a prohibition of the distribution and development of such products, manufacturers could be getting themselves and the country locked into a situation where products with dangerous contaminant capacity are being created to a point beyond which we cannot withdraw?

● (1540)

I think the point is clear that if we have a board which can sit interminably hearing evidence, and which does not have the power to stop the development or distribution of the products under consideration, such products could proceed without halt and the board would be in the position of buying time for the manufacturers rather than doing what it is supposed to do, which is to protect the environment and the Canadian people. If this is the case, it is a serious deficiency in this piece of legislation, and one which we would want to have cleared up, Mr. Speaker.

In all these cases where I have suggested there might be abuse by a manufacturer I am speaking not of the normal case but of the worst case. None of us here suspect that there are manufacturers who are sitting around wanting to pollute the environment or the atmosphere. However, there might be some and, if there are some, surely as the Parliament and the Government of Canada we have a responsibility to ensure that such people are limited and stopped by this legislation rather than helped by it. The fear I have enunciated is that we might unconsciously create a provision which would help the people we are trying to limit.

There was one reference by the minister in her speech on November 29, 1974, which alarmed me a little. I shall not deal with this at length. As recorded at page 1815 of

[Mr. Clark (Rocky Mountain).]

Hansard for that date the minister said that this new instrument would facilitate the evaluation of those products "and lighten the responsibility of making appropriate recommendations to manufacturers, users, distributors and, if need be, on the methods that could be used to destroy certain chemical substances considered as harmful to the environment."

I hope the minister will elaborate on the specific ways in which this legislation will lighten the present responsibilities of the Department of the Environment, because certainly we on this side of the House do not believe this is a bill which will lighten those responsibilities but rather is one that would increase those responsibilities. If in fact this bill is some disguise for a way to take away from the Department of the Environment power which it is necessary should be exercised, and shunting that off to industry or some other agency of government, we want to know about that. Unless very strong evidence can be adduced before the House this is something we would very strongly oppose.

Finally I wish to deal with the provision for fines under the so-called environmental contaminants legislation. We are dealing here with an attempt to prevent pollution and disruption of the Canadian environment which could have consequences of incalculable cost, not simply in dollar terms but in terms of the health and the well being of our citizens, of future generations, and of other countries.

This is a very serious matter. Offences against the bill would be very serious offences. On summary conviction the fine as set out in the bill would not exceed $10,000. Then there is a provision for imprisonment for six months, or for both the fine and imprisonment. A fine of $10,000 certainly will not scare the trousers off any multinational corporation that is contemplating an act which would cause environmental damage. This is obviously a ludicrously insufficient fine. What is worse is that the $10,000 is a maximum, and there is no minimum stated. The minimum could be a nickel, or simply feed for the little bird that flits around telling the minister when this legislation should be introduced. The system of fines is inadequate and must be reviewed.

I say, and other speakers on this side have made it clear, that we very much share the goal that is evident in this legislation. We believe it is highly important that we turn away from simply reacting to disasters which occur and get into the serious job of bringing in preventive measures to stop those disasters before they occur. Our worry about this bill is precisely that there is nothing here to ensure that we make that turn.

The bill purports to be preventive legislation, but in fact is the same negative type of legislation rather than preventive legislation because of the weaknesses that have been mentioned. So, Mr. Speaker, I support the recommendation of my colleague, the hon. member for Fundy-Royal (Mr. Fairweather), that the subject matter of the bill be referred directly to the standing committee rather than that the bill be given second reading now. I certainly hope this very sensible amendment will commend itself to the House.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I was praising hon. members of the House this afternoon for the quick expedition of our business. Three bills have already been considered this afternoon, but I feel we are really stuck now on the bill to control pollution. I think this bill will be difficult to adopt, although I wish it could have been adopted this afternoon. The purpose of this bill is to protect human health and the environment from the release of substances that contaminate the environment and provide for the appointment of an Environmental Contaminants Board of Review consisting of not less than three persons. We have always felt and still feel that this issue is of paramount importance. As evidence of this, the hon. member for Richmond (Mr. Beaudoin) asked the following question on March 20, quote:

In view of the fact that the legislation pertaining to industrial and commercial buildings does not apply to mining, and that those companies are not subject to the environmental protection legislation, can the minister tell us whether he will assume his responsibilities immediately by instructing his department's task force which is considering the matter to look immediately into the Thetford Mines problem . . .

This was about another case of environmental pollution. I wish to congratulate the President of the Privy Council (Mr. Sharp), because for once he has apparently kept the promise he made in reply to the following question by Mr. Fortin;

The Minister of Environment has stated earlier that she was waiting for the House to pass Bill C-25 relating to substances that contaminate the environment. Our party agrees that it be given priority. However, it is the government, not the opposition, which decides the order of business. To elucidate this, would the President of the Privy Council agree to suggest an understanding so that Bill C-25 be given priority as early as tomorrow . . .

The reply of the President of the Privy Council reads in part as follows:

I thank the hon. member for his suggestion. I believe it is the general desire that this bill be disposed of, and I hope it can at least be put through second reading before we break for Easter.

I do not know whether the President of the Privy Council had consulted the Progressive Conservatives when he told us everyone agreed. This afternoon, I think we are late and will muff it as far as referring the bill to the standing committee is concerned. However, I still want to congratulate the Minister of Environment and tell her how happy I am that a lady is in charge of keeping the country clean. I am sure we will have a cleaner country, a healthier environment.

I want to say a word about the environmental contaminants board of review whose establishment this bill authorizes. It will consist of three persons. I trust it will make reports. It will probably serve mainly to put out information, or to help the minister with the complaints she will receive about certain forms of pollution. Our country is not a pretty sight because of pollution. The water, the sea, the air, the highways, the parks, the cities and the countryside are all polluted. Today, one cannot go out without running into the hideousness of pollution.

● (1550)

This is why we wanted this bill to have priority, because it is an urgent need, something demanded by the entire population. For years, we have been wondering what the provincial government intends to do in Quebec, what the federal government plans to do in another province and elsewhere in Canada. The air space and navigable waters are under federal jurisdiction while rivers and small streams are under provincial jurisdiction. It is always the same quarrel, Madam Speaker.

I have made many reports to the federal and provincial governments but without avail. This is why I hope that the board will be effective, that watchful inspectors and analyst will be appointed to act as active members of the board so that we will not merely witness the establishment of a board this afternoon. We are sick and tired of abuses, Madam Speaker. We want action, a committee that works, a minister well informed, who orders investigations into the nature, the quantity and the quality of these pollutants. In my riding, things have reached a point where all water bodies are polluted and the aquatic fauna is declining every day, to such an extent that in some rivers one cannot catch a single fish. Why? This is caused sometimes by a saw mill built on the shore that dumps its sawdust into the river, sometimes it is a paper mill that throws its paper residues into the river, all of which kills fish and pollutes rivers.

I am not sure if there will be an agreement with the provinces, because the bill says there will be consultations. We know that consultations with provinces are necessary. However, if the provinces will not budge the federal government will have to do something about it, push the provinces and force them to clean up. It is fine to say that it will be done. But nothing has been done, everything is destroyed and we live in unparalleled pollution.

Madam Speaker, I hope that the minister will be able to obtain the required publicity for the work that she will have to do. The government makes a lot of needless publicity, often for a lot of nonsense. However, this should receive publicity. We should expose those responsible for polluting the water, the soil and the atmosphere and give them bad publicity if they are industrialists. In my opinion, the best way to control an industrialist and make him come to this senses is to give him bad publicity.

A while ago, fines were mentioned and I heard some say that they were not high enough. In my opinion, the best kind of fine would be to publicly expose those responsible for pollution and, once again, to force the industries to spend money to protect the environment, and then, the order could be issued.

Of course, when the population gets no information about the activities of a department, no order is issued. I am certain that the minister then works in a vacuum and that all the commission members will also work in a vacuum because pollution is not the business of two, three or ten people or a minister, but of the whole population. The department must shake the population so that those responsible may be exposed. If a neighbour witnesses pollution by an industrialist or an individual, he should send a petition to the department. If the department does not act, members of Parliament will then have to expose the department for its inaction.

I have nothing more to add, because I would like the minister to speak for a few minutes so that the bill may be

passed in committee since we all wait anxiously for the implementation of this measure.

* * *

BUSINESS OF THE HOUSE

[*English*]

Mr. Baker (Grenville-Carleton): Madam Speaker, I rise on a point of order. Will the government House leader be kind enough to confirm for us the government's business on Monday?

Mr. Sharp: Madam Speaker, the House has made very good progress today. We have moved on some bills, but I had hoped that we might have been able to move on Bill C-25. There are only a couple of speeches to be made and I am hoping it might be possible to dispose of this bill before the Easter recess. So I have kept it in my priority items. However, on Monday I have the intention of calling the motion to concur in the report of the Standing Committee on Procedure and Organization.

● (1600)

Then I would hope to call third reading of the housing act which has now been reported from committee. There is some hope that if we acted on that quickly it might be approved by the Senate and receive royal assent before Easter. We also have a series of amendments from the Senate to the corporations bill, and finally we have Bill C-8, which we would like to proceed with also.

I am sorry that I cannot at this stage go any further as to the order of these items except to say that we will begin with the report of the Committee on Procedure and Organization. The others will, I hope, be considered during the day.

Mr. Prud'homme: Madam Speaker, could we have consent to dispose of this bill on second reading today? It seems that the House is in agreement. If there are only one or two more speeches—

Mr. Baker (Grenville-Carleton): Four o'clock, Madam Speaker.

The Acting Speaker (Mrs. Morin): There being no agreement, and it being four o'clock the House will now proceed to the consideration of private members business as listed on today's order paper, namely, notices of motions, public bills, private bills.

[Mr. Gauthier (Roberval).]

PRIVATE MEMBERS' MOTIONS

[*English*]

DEPARTMENT OF SPORTS

SUGGESTED ESTABLISHMENT OF NEW MINISTRY

Mr. Hal Herbert (Vaudreuil) moved:

That, in the opinion of this House, the government should give serious consideration to the establishment of a department of sports.

He said: Madam Speaker, the motion proposed is short and uncomplicated, that in the opinion of this House the government should give serious consideration to the establishment of a department of sports. Why propose such a motion? Obviously I am not satisfied with the manner in which the government discharges its responsibilities to amateur sport. This stems from the fact that the fitness and amateur sport program is lost in the Ministry of National Health and Welfare.

The 1975-1976 estimates for the fitness and amateur sport program total $21,785,000, less than $1 per annum per person. Even that figure is misleading. The minister said in a speech in January of this year that this year his department has spent over $10 million on amateur sport. That is over 40 cents per person. Or am I perhaps being a little bit too cynical? As a percentage of the departmental budget it becomes even more insignificant. It is about one third of 1 per cent, and that is almost the level of importance attached by the department to amateur sport.

Put another way, the total sport budget is approximately 3 per cent of the amount by which the total departmental budget has increased over last year. In other words, the departmental budget increased by $648 million, or $30 for every man, woman and child in this country, while the budget for fitness and amateur sport increased by 21 cents per person for a full year.

That is to be the level of federal participation in amateur sport for the year 1975-76, less than $1 per person for a full year. The budget of just one of the provinces doubles that figure.

Let us look for a moment at the objective of the department. It reads:

To raise the fitness level of Canadians and to improve their participation in physical recreation and amateur sport.

And as sub-objectives:

To increase the appreciation for an understanding of fitness, physical recreation and amateur sport.

To improve the Canadian delivery systems of fitness, physical recreation and amateur sport.

To improve the quality of participation of Canadians in physical recreation and amateur sport.

I would like to put on record the fitness and amateur sport program description, which reads:

Promotion and Communications—Strategies and activities to promote a better understanding and active interest in fitness, physical recreation and amateur sport.

Resources Development—Provision of support for human and physical resources necessary to develop and improve fitness, physical recreation and amateur sport.

Training—Support of events for participants and athletes which foster the improvement of abilities and performance in fitness, physical recreation and amateur sport.

Competition—Assistance to enable individuals or groups of individuals to engage in events for the purpose of measuring their performance against others or according to established standards.

Program Planning and Management—Planning of the Fitness and Amateur Sport Program, management of the activities through Recreation Canada and Sport Canada, and the provision of administrative services in the operation of the program.

This is excellent indeed. What wonderful and inspiring objectives and what excellent programs—and all that for $1 per person, of which 20 cents goes to administrative expenses. It costs $4.5 million to distribute the grants, contributions, and other transfer payments.

Is it any wonder that we have difficulty winning Olympic medals? Of the contributions to encourage, promote and develop fitness, amateur sport and physical recreation for Canadians, a total of $1.8 million is allocated for training. For all my constituents in Vaudreuil that works out to less than $10,000 for the year 1975-76. This is in a constituency where tomorrow just one of the 40 municipalities, the town of Beaconsfield with a population of 21,000, is opening a $1.5 million recreation and sports complex. The town of Vaudreuil, with a population of approximately 4,000, has just built and opened an arena at a cost of $200 per person. These are only two examples of what is being done at the local level, and they illustrate the importance attached to amateur sport at that level.

I can already hear the departmental officials howling that I should not mix federal and provincial responsibilities. My answer to that is that if the federal government cannot show leadership and do a better job, then it should get out of the field entirely and not make a halfhearted token effort.

Our top sportsmen and women should be trained to represent their country in international competition, and the promotion, organization and control should be a federal responsibility with a suitable federal budget to assure success.

The provinces fulfil their responsibilities as can be illustrated by a quotation from the Montreal newspaper *La Presse* dated December 4, 1968, some seven years ago. It reads:

[*Translation*]

For the first Quebec Sport Convention to be held in Montreal from December 5 to 8, the High Commissioner for Youth, Leisure and Sports prepared a working paper that will be made available to all participants.

By its importance, the basic principles it defines and the concrete policy it proposes, that paper constitutes somehow the first Quebec Sport Charter.

For many years, international sport organisations and governments in several countries have been seeking to give sport an orientation likely to meet both the many and various aspirations expressed by those who in close or remote connection keep contact with, participate actively in or organize in their environment, social and sport activities.

Quebec also raised many areas of concern in that respect. In the last few years, bodies identified with community leisure organization, promotion of competition sport activities and overall youth education expressed in their most immediate area worthy opinions about the nature and the meaning of continued government intervention in the area of sport.

And further on it continues:

GOVERNMENT

Sport constitutes a general social fact capable of cultural influence of some importance, capable also of playing at both the individual and community levels a recreational role, an educational role, a military role and a role of adaptation to and preparation for active life.

● (1610)

[*English*]

The Prime Minister (Mr. Trudeau) recently attended the official opening of the 1975 Canada Winter Games in Lethbridge, Alberta, where 3,000 young Canadians participated in everything from skiing to table tennis, and from volley ball to judo. Teams from the ten provinces and the two territories marched into the Sportsplex behind their flags. For many of the athletes, particularly those from the two territories, it was the first time for a first-hand look at another part of Canada.

For the people of southern Alberta it was a mammoth effort of more than two years on the part of thousands of volunteers, involving people from the surrounding communities which were the sites of the events.

It will be the same story when the games move to St. John's, Newfoundland, for the summer edition in 1977, and that province's representatives were in Lethbridge picking up all the tips they could. Manitobans were also watching carefully because the next edition of the winter series, in 1979, will be held in their province.

The provinces are certainly doing their part. It would be unjust not to add that the federal government is contributing financially to these activities. However, the question remains, is the assistance just tokenism? Is it really fulfilling the objective of the department, or is it just a small encouragement to the private sector and the provincial and municipal governments to keep up the good work?

I am going to refer for a moment or two to one part of the effort of the department's sport program. On February 1, 1974, the Department of National Health and Welfare issued a news release which stated:

Health and Welfare Minister Marc Lalonde today announced that applications for 1974 grants-in-aid to Canadian student athletes are now being accepted by his department's fitness and amateur sport branch.

The grant-in-aid program, established in 1970, assists Canadian student athletes who wish to pursue their educational programs while continuing to make satisfactory progress in their competitive sports programs.

Excellent! But the same news release says:

The deadline for submission of grants-in-aid applications is February 15, 1974.

I wrote to the minister to ask:

Why did News Release 1974-8 of February 1, 1974, indicate a deadline for submission of February 15, 1974? Is it because the funds are very limited and possibly were already committed?

The minister's reply said in part:

This date is necessary in order that a reasonably complex selection process can be completed preferably by late April. In this way the student athletes will know whether or not they are receiving a grant and can plan their summer programs accordingly.

I suggest simply that any student who was not at the starting gate on February 1 is probably still unaware of the program. Note the six weeks for the departmental officials for their "complex selection process", but only two weeks for the poor student from the date of the news release, for the dissemination of information, consider-

ation, looking for the source of application forms—which is not always an easy task—completing and submitting an application.

In answer to a question on the order paper the minister indicated that the projected expenditure for this program is $1 million per year. That is probably why it is not made easily accessible. In that same answer the minister indicated that total grants for training programs in 1972-73 were $527,000. However, grants for administration for the same year to agencies, organizations, and institutions totalled $1,156,000—more than twice as much as for training. I do not question the necessity to keep alive the national associations, but I do question the priority in the allocation of the very limited funds that are made available.

Incidentally, Madam Speaker, the same answer indicates that 99 organizations are competing for funds, and they include golf, curling, cricket, yachting and some of the more exotic sports, but the word baseball does not appear.

Departmental publicity in regard to its magnanimous grants is not lacking. During the past year news releases have been issued at a rate of more than one a month. Yet another branch of this same department concerned with welfare issues news releases on grants only once every six months. Are we perhaps being given a publicity snow job?

I will conclude my remarks by quoting from a speech made recently by the hon. Minister of National Health and Welfare (Mr. Lalonde) to the Sports Federation of Canada.

Mr. Paproski: Was it a $1,000 speech or a $600 one?

Mr. Herbert: In the course of that speech the minister referred to the:

> . . . great deal of excitement and anticipation among those who work daily for Canada's amateur athletes.
>
> Much of this excitement is being generated by Game Plan . . .
>
> One of Game Plan's main objectives is to increase significantly the number of internationally qualified athletes who will be representing Canada.

A lead article in today's Montreal *Gazette* says in part:

> Some serious questions arise from the approach undertaken in the "Let's Get Together" advertising compaign to raise money for the Canadian Olympic Association (COA) . . .
>
> Many athletes will continue to live in near penury despite the promise held out in the advertising campaign that they will be assisted by contributions . . .
>
> The corporations which have allied themselves with COA could make considerable contribution to Canadian athletic well-being through more direct association with the athletes . . .
>
> It would have been far better to have had the $750,000 outlay on advertising used to assist directly athletes who are not in schools, colleges, or universities and cannot find employers who will permit them the generous time off work required for training, competition, and travel . . .
>
> It is obvious that there has to be broader support for Canadian athletes than that envisaged by Game Plan. What is needed is a plan which will indeed "help" the athletes.

An article in last October's issue of *Legion* magazine said:

> The '76 Olympics has given a special urgency to the federal role in sport.

[Mr. Herbert.]

The first step that this government can take to help the athlete is to create a department of sports.

Some hon. Members: Hear, hear!

Mr. Otto Jelinek (High Park-Humber Valley): Madam Speaker, at the outset let me compliment the hon. member for Vaudreuil (Mr. Herbert) for bringing forward a motion which deals with sports in general and more specifically with the creation of a department of sports. I think he must have read the Progressive Conservative party's policy paper put together about a year and a half ago.

It is ironic that the hon. member for Vaudreuil should come up with this motion because one of his colleagues who sits behind him, and who does not seem to be in very good shape, the hon. member for Hamilton Mountain (Mr. MacFarlane), seems to be the self-proclaimed—

The Acting Speaker (Mrs. Morin): The hon. member for Hamilton Mountain on a point of order.

Mr. MacFarlane: Madam Speaker, I have never once mentioned in this House that the hon. member over there always skated on thin ice. He should not make remarks about my physical appearance as he has enough weaknesses of the mind to deal with in his own case.

● (1620)

Mr. Jelinek: Madam Speaker, we must let backbenchers on the government side have their say, since they are not permitted to say much during regular proceedings. As I was saying, the hon. member for Hamilton Mountain is the self-proclaimed minister of sports on the government side. Recently he produced a sport policy paper which is almost identical to the paper the Conservative party produced one year or so ago. Even the paragraph headings in his paper are similar to the paragraph headings in our proposal.

Let me read some of the hon. member's paragraph headings: Increasing interest and concern; Expanding participation; Growing demand for sports education and facilities; A national new facilities program; Broader use of existing facilities; Expanded teaching and training; Capability for anticipating problems. Those are all subject headings, and are similar to paragraph titles in our policy.

The hon. member for Vaudreuil seemed to be most interested in looking after elite, already established athletes. There is nothing wrong with that. We welcome the support of the Department of National Health and Welfare for this country's elite athletes. Really, our difficulties have little to do with elite athletes, or athletes in this country at the top of their competitive class. We must be concerned with grass roots athletes, and therefore with physical fitness and recreation. Physical fitness is most important for the well-being of our people. Canadians have become increasingly aware of the importance of physical fitness, which affects both body and mind. I should like to see the government encourage people to become more physically fit and participate in recreational programs, which should encompass amateur sports.

I suggest the amateur sports program should involve, first, initiating a federal-provincial conference to study existing physical fitness and sports programs as struc-

tured within each individual province, and incorporating the same into an acceptable national policy; second, taking inventory of all existing sports, recreational and fitness facilities and ensuring their maximum utilization under the proposals of this policy; third, encouraging national physical fitness through education, the media, industry and government, and promoting all available facilities and programs on a national basis; fourth, initiating the development of a truly comprehensive coaching program with accompanying accreditation leading to professional status and, fifth, creating new facilities dependent upon regional needs, and determined in addition by the scheduling of national and international sporting events.

While it is impossible for the government to promise support for those who have come to be known as elite athletes, I hope it will continue to offer financial support and assistance to those individuals demonstrating outstanding ability and achievement in sports. I cannot emphasize enough the need to encourage youngsters and adults at the grass roots level to participate in amateur sports and physical fitness programs. From this grass roots base we shall develop our top athletes. Only if our grass roots athletic program is sound will superior athletes emerge, athletes who can do better in international competitions.

The hon. member's motion provides for the establishment of a department of sports. My party made a similar proposal some time ago. But we must be realistic. In these times of economic hardship, of huge government bureaucracy, times when restraint in spending is called for, a department of sports will not be given high priority. The establishment of a ministry of sports might be considered some time in the future, but at the present the establishment of such a ministry will not take precedence over other urgent government business.

The Department of National Health and Welfare which labours under a fantastic workload probably cannot pay too much attention to sports. Unfortunately the minister seems to be more concerned about professional than about amateur sport. I am alluding to his interest in the World Football League, the Canadian Football League, and other professional sporting bodies.

In conclusion I am sure most hon. members and most Canadians will agree that the government will give low priority to the establishment of a ministry of sports, and will give much higher priority to many of the other things it must do in this day and age.

Mr. Gus MacFarlane (Hamilton Mountain): Madam Speaker, I am disturbed because I want to speak for two hours, but can only speak for some minutes. I know other hon. members wish to make their comments. Allow me to congratulate the hon. member for Vaudreuil (Mr. Herbert) and the hon. member for Lafontaine (Mr. Lachance), the mover and seconder of the motion, for introducing this subject matter for debate. I do not necessarily support the establishment of a ministry of sport, but I am glad the hon. member for Vaudreuil brought before the House a matter of important national concern.

I remind the hon. member for High Park-Humber Valley (Mr. Jelinek) that this is a non-partisan issue. That is how I will treat it. For that reason I will ignore his personal remarks and proceed with my own speech.

I concede that the right hon. member for Prince Albert (Mr. Diefenbaker) first showed his concern in this area when he brought forward a bill. Our Prime Minister (Mr. Trudeau), too, showed his concern by making his relatively well known statement concerning a task force. Let me point out that the minister from Hamilton East brought forward a sports policy, that the present minister from Outremont supported that policy and showed interest in what is happening at the grass roots. I am not embarrassed to speak as a Liberal.

I remind the hon. member for High Park-Humber Valley that he was using my notes when he spoke. He used my notes, but alleged they are a copy of a Conservative paper.

Mr. Jelinek: Madam Speaker, I rise on a point of order. The hon. member for Hamilton Mountain (Mr. MacFarlane) suggested I used his notes when I spoke. Let me point out that he was not even in Ottawa when we established our sports policy. It was our sports policy, our notes, to which I was referring. I had just suggested that the paper he came up with, which was only released a few months ago, was nearly identical to ours.

● (1630)

The Acting Speaker (Mrs. Morin): The hon. member knows that is not a valid point of order.

Mr. MacFarlane: I respect the hon. member. I am very pleased he used his own notes because his sound better coming out of his mouth than his do out of my mouth.

Since this matter is non-partisan I would also like to point out that the hon. member for Lotbinière (Mr. Fortin) was one of the top players on the parliamentary team. He indeed shows an interest in sport. I would also like to point out another young man who is hitting the headlines. He is a member of the NDP. He does not represent a constituency, but he would surely like to do that. His name is Bruce Kidd.

We should be looking at sport as a vehicle for national unity. Regardless of whether my constituents decide that someone else should represent them, in the time that I am here we will continue looking at sport as part of the culture of Canadian people. I think it is also important to mention the Leader of the Opposition (Mr. Stanfield). I was hoping he would have stayed. The Leader of the Opposition allowed his name to stand for the first Atlantic football bowl game in Halifax.

There are many important individuals in this parliament. In sports we do not refer to the players as engineers, doctors or lawyers. We do not even refer to them as nuns, priests or ministers. They are called members of the fraternity of athletes. Everyone becomes equal. That is why sport in itself is terribly important in this country.

A little boy from Trois-Rivières who is able to go to Penticton to play thinks it is a fantastic experience. He does not ask whether the people there speak French or English. He wants to go. These are the things we should be talking about here.

We should bring to the attention of this department, this minister, the Prime Minister, and this parliament that we

believe sport is an experience which both young and old people can enjoy. If we are indeed going to be faced with the great economic problems of this world, there will still be time for our older gentlemen to sit by the ballpark to watch ordinary softball games. They will not have the money to buy tickets for the great professional sports. Once more they will want to sit at the local diamonds and watch the activity. This is a moment of opportunity for us.

I have been involved in sports over a 30-year period. I ask hon. members to consider this as a last thought. When Handel wrote the Messiah, did he write of the omnipotence of God or did the omnipotence of God show itself through the Messiah which he wrote? When Van Gogh painted the olive trees, did he paint of nature or did nature show itself through his painting? When I coach my football team, do I place the stamp of my name on it or do I give the players the formations, the moment of play, and the system whereby they may express themselves?

This is my plea for sport. It is indeed a cultural experience. It is an experience for those involved and for those who want to have some kind of an aesthetic experience.

What is the praise most often heard in sports? "Wasn't it beautiful?" Beauty has something to do with art, culture and experience. This is what it is all about. We are not asking for some money to be thrown away. We are saying we want our Prime Minister to stand up and say that sport is indeed culture, a part of our life, a ribbon across Canada that ties us together, and a vehicle whereby all multicultural groups can move together and exhibit their national unity.

Some hon. Members: Hear, hear!

Mr. MacFarlane: I travelled to Split, Yugoslavia, with our national basketball team. Normally there is not that big a crowd at basketball games. However, there you saw 11,000 on one side and 11,000 on the other. You saw coming against you a centre who was seven foot two. You saw your guard from British Columbia, who was playing beside your guard from Halifax, who was playing beside your centre from Ottawa, who was playing behind your forward from Quebec, who was playing behind your forward from Saskatchewan, who was standing with the referee who came from British Columbia. If you saw this, you would realize what it is like to see a young boy of six foot two come driving in toward the seven foot two player, place the ball behind his back, give it to the boy from Montreal, who put it in, and then hear the crowd suddenly say "Canada, Canada, Canada". There was not one Canadian present. It was because they respected us. They understood that athletics is poetry in motion.

An hon. Member: Who won?

Mr. MacFarlane: That is a good question. As ambassadors, we won every time.

I remember when my football team beat a maritime university 107 to three. It was not a very happy situation. I remember when we lost 86 to six. The other coach wondered whether he won or lost.

In sport you practice five times a week, and not just the day of the game. If the practices were not any fun what would be the point of playing once a week? Do you think it is all in one moment, one Canada Games, or one international competition? It is in a whole lifetime. This is part of our country.

It is terrible when people do not understand the emotional aspect. I hope no one says I am not being objective. However, he would be right. I am not objective. I am emotional. I am sold on it.

I remember one other incident. As a young coach, I violently wanted to win. I took 40 young football players and ran them around the field. At the back of the field I saw one running slow. I looked at him and said, "Why are you running slow? Pick it up." His brother came to me and said, "Can't you see he is crippled? He had infantile paralysis. He is my brother." I felt bad. I thought it over and then called them all together. I looked at this boy and said, "I guess you will have a harder time making the team."

That boy made the team. Sport was the great leveller. He did not want to be regarded as a cripple. He wanted to be regarded like everyone else. He went on to McGill and became a Governor General's scholar. He played football and now holds a good position in this country. Right across this country there are people like this.

Sport is the great leveller. When we started out sport dealt with our problems. The Negro came up in sport. We would shower with him, but would not invite him to our parties. The vehicle was open to him.

While I am in this place I will not tolerate being partisan. I appreciate the expertise in his sport of the hon. member who spoke previously. I have great respect for him. We each had a little fun with each other. I now ask him to join with me. I also ask the hon. member from Edmonton, the hon. member from the Social Credit Party, and the hon. member from the New Democratic Party to join with me. We need to have this hope. This is the moment for backbenchers. Regardless of whether you are a member of the government, you can go back to your town and say, yes, we need that rink and that pool. This is our moment. This is the time we should remind ourselves of the well known words:

● (1640)

Lives of great men all remind us
We can make our lives sublime,
And, departing, leave behind us
Footprints on the sands of time.

The footprints can go up or down, or they can wander around. Mine will go right up there because that is where youth is.

Some hon. Members: Hear, hear!

Mr. Abbott: On a question of privilege, I apologize to the hon. member who is about to speak, but it occurs to me that, as in this case, day after day and week after week it is a good thing that maintaining a quorum in this House does not depend on the presence of one member of the New Democratic Party.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I almost think that the hon. member's interruption is worthwhile. I want to thank the hon. member for Mississauga

(Mr. Abbott). The spirit of goodwill prevails in this House. We are getting close to the Easter recess and the record will show that today the House made great progress in respect of legislative enactments. So there are times when we can get together and do things in a proper spirit.

I want to say something to the hon. member for Hamilton Mountain (Mr. MacFarlane). I have heard many speeches with respect to the influence of sport in helping to promote national unity, but I do not think I have ever heard a more passionate plea for understanding of the proper place of sport in the life of this country than I did a few moments ago. I listened carefully to the hon. member's speech. I admire him personally, I admired his career before he came here, and I hope he will so conduct himself while he is here that I will admire his career here as well; I have no reason to think I shall not do so although we may have occasion to disagree from time to time.

The passion with which he spoke of sports, bearing in mind that the subject of this debate is a proposal to create a Department of Sports, was so apparent that since I am by nature a Methodist I was reminded somewhat of a revival meeting at which the hon. member was pushing for a call to that department. Such an appointment might not be a bad thing if he could practice in that department the fervour with which he speaks.

I do not know whether the hon. member for Hamilton Mountain or I could be judged as examples of what participation in active sports can do for one's figure. Perhaps we are walking examples of the necessity for the rethinking of programs in the community. My only concern with respect to the motion is not the motive behind it. I think I have indicated that I support the motion in its general purpose. My hesitation with respect to it is in deciding whether or not it is necessary in 1975, in a period when we are calling upon people for restraint, when governments are paying at least lip service to restraint in the sense that it is being mentioned, when inflation is touching people's pocketbooks, when some people in the country are complaining about the growth of the public service, and when the government itself is saying it is hoping to hold the growth of the public service down to 4 per cent in the fiscal year.

This is not the time for us to talk about opening a new department, with all the new staff it would require, and all the difficulty and expense it would mean. Only in those terms would I say that perhaps we should use this period to think about what a department of this sort might do if it were formed. I hope we are not always going to be running through this economic Gethsemane. I hope the government will come to its senses and realize it has a responsibility to fight inflation. Some of these important recreational and cultural things could perhaps be centred in a new department. That is my only reservation.

If it is important that we do these things, we do not need a new department or a new ministry. What we do need is to use the existing departments, the existing structures, and the tremendous expertise which exists and which is capable of being unleashed in the public service, and to draw in from time to time when necessary, having regard to our requirements for priorities, expertise from elsewhere to zero in on the one part of the sports program which needs emphasizing and re-emphasizing—if I understood at all what the hon. member for Hamilton Mountain was saying—and that is the involvement of the young person growing up in an atmosphere of recreation and sport so that he can participate not only when he is young but all through his life, and at the same time educate a society with respect to recreation.

There is the capability now without setting up a new department. I do not quarrel with the objective, but I think there is the capability already. It will take, perhaps, another minister, or certainly a reawakening of the minister with respect to his interest in amateur sport, and perhaps a review of the programs to see whether there is not too much concentration on the large sporting organizations, the national associations, rather than the community associations, the neighbourhood associations.

I am a parent of two growing boys and a growing girl. The latter has just begun to play in softball and perhaps as she gets a little older she will become interested in girls' hockey; the two boys have both played amateur football in the pre-high school leagues. One boy of mine is now playing football in his high school and hockey in his neighbourhood. One of the things we cannot emphasize too much is the importance of this program in occupying those young minds, not just the young minds of my children but the minds of the children of others in the community, occupying their time, giving them some interest, teaching them to involve themselves early in recreation, giving a vent for their tremendous strength and enthusiasm, allowing them to excel in those fields so that they can excel in other fields.

Sometimes we forget; we as parents, as members of parliament, as parliamentarians generally not just on this level but elsewhere, forget that really the unsung heroes of the community are those men and women who take time out of their own lives day after day, week after week, month after month, and year after year to do things for our young people. We should not forget this. I hope I can speak for every member of this parliament in paying tribute to all the men and women of this country who have given of themselves in a voluntary way to assist the development of young people. They develop not only the body but the mind as well.

I should like to say something else. The hon. member for Hamilton Mountain, in his career before he came here, distinguished himself at another level of athletics and sports and recreation. We owe men like the hon. member for Hamilton Mountain a debt of gratitude for what they have done for our country in developing young men as better citizens, as greater participants and sportsmen, with all the attributes inherent in that name. I think also of the hon. member for High Park-Humber Valley (Mr. Jelinek). He was a world champion athlete and brought distinction to this country. We in this House are fortunate to have men like him who have brought great honour to their country sitting among us.

● (1650)

Last of all, I think the hon. member for Hamilton Mountain touched on a matter that is very close to me, and that is the importance of the understanding we have to develop between nations and in our own country. I happen to be a resident member of parliament and I am here all summer

when my colleagues are at their homes across the country. They drop in from time to time and it is nice to see them no matter where they are from, but I am one of the members who is in this House every day during the summer, and it falls to my lot to receive group after group of young people who come to Ottawa from the far reaches of our country, every province and territory. This occurs throughout the summer months. They come here to have their eyes opened to the greatness of this country which is symbolized in these buildings.

I think there is an opportunity in respect of these programs, many of which are exchange programs funded by the hard work of the young people themselves, and others by the taxpayers, to improve the relationships within our country and with the rest of the world. These programs are among the most important that the government has seen fit to bring about in terms of our country.

More than that, I think we ought to see that there is the same opportunity for the people who participate in amateur sport to develop an understanding of what this country and its various regions mean, while at the same time developing that attribute that is important in any citizen, namely, the attribute of participating in a sportsmanlike way, whether we are talking about a business or a profession, in public or in private life.

Let me say to the hon. member for Vaudreuil (Mr. Herbert) that the motivation behind his motion is excellent, and I support him. Unfortunately, I think we have other priorities, and given those priorities there are other vehicles now in our hands with which to carry out what the hon. member suggests in respect of the department, as well as those important objectives the hon. member for Hamilton Mountain so eloquently put before us this afternoon. I am very grateful for having had this opportunity to participate in what I think is an important debate, Madam Speaker.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, I am all the happier to take part in this debate on the motion of the hon. member for Vaudreuil (Mr. Herbert) as this afternoon, after speaking on Bill C-33 to the House, I now have the opportunity to talk to the House on a motion which deals with a matter of significant importance to me, as the representative of the Maisonneuve-Rosemont constituency, since in effect that is where the Olympic Games of 1976 are to take place.

When I was elected a member of the House of Commons last July, one of the first steps I took was to re-read every statement made in this House respecting the Olympic Games, namely the Olympic Act and the speeches which were meant to prepare Canada for that exceptional event.

When I went over some statements by my colleagues from the opposition, I was struck by the fact that they were anxious to make this international sporting event an unprecedented success. I also noticed that they wished the games to take place within modest structures. If some members of the opposition had accepted the invitation by the mayor of Montreal last Sunday, as other members did, and had had the opportunity to visit the olympic facilities, they would have realized to what extent they are progressing according to schedule, and how very optimistic we can be about this international event.

However, our debate this afternoon deals with a specific aspect of that event, namely the preparation of Canadian athletes for the Olympic Games of 1976. The motion we are dealing with this afternoon, Madam Speaker, is not a new one. In fact, in 1937, a member of parliament for a Toronto riding put forward a similar one. He did so as he returned from the Commonwealth Games which had taken place in London, and in which the Canadian hockey team almost won the gold medal in its field. Since hockey is one of the most popular sports in Canada, this hon. member, on his coming back to Canada after those international competitions, thought that one of the first measures the government of the day should pass would be precisely the establishment of a Department of Sports.

The previous speaker has indicated this afternoon in a very precise way why we can be doubtful about the establishment of a Department of Sports having the desired results. Indeed, we are dealing with one of the areas where voluntary efforts and voluntary involvement of the citizens are most important. The policy now advocated or followed by the National Health and Welfare Department is to stimulate the development, the growth and the initiatives which might be taken by all the organizations involved with sports at the professional or amateur levels. Those programs established by National Health and Welfare Department are not intended to serve as a substitute for private initiative. These are programs essentially devised to back up the plans set up by groups of citizens who believe that physical fitness is one of the most important objectives to pursue.

In 1969, Madam Speaker, I had the opportunity to be a spectator at the European Olympic championships in Athens. At that time, I was able to see that the countries which were more successful and had the highest international standing were not necessarily those where sports were managed by a bureaucracy. Quite the opposite, it was those who favoured personal initiative. I am thinking of a French athlete, Colette Besson, who ran the 300 metres and won all the gold medals for track events because she had been able to start practising her sport when bureaucracy had nothing to do with the physical training favoured by her family.

In my opinion, Madam Speaker, if we must call the attention of this House to the preparation of Canadians for the 1976 Olympics during the next few months, we should emphasize these personal initiatives.

The Acting Speaker (Mrs. Morin): Order, please. The hour provided for consideration of private members' bills has now expired. It being five o'clock, the House stands adjourned until Monday next at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 24, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

ENVIRONMENTAL AFFAIRS

TABLING OF REPORT ON ENVIRONMENTAL PROTECTIVE MEASURES AT JAMES BAY HYDRO PROJECT

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table copies in both official languages of a preliminary report entitled: James Bay hydro-electric project: environmental concerns and recommendations for protection and enhancement measures.

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[*English*]

BUSINESS OF THE HOUSE

PROCEDURE TO BE FOLLOWED IN CONNECTION WITH LEGISLATION TO END STRIKE BY LONGSHOREMEN AT VANCOUVER

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, as a result of the strike by longshoremen on the west coast, the government has decided to put forward legislation which it hopes to have expedited by the House.

Some hon. Members: Hear, hear!

Mr. Sharp: I therefore propose that an order of the House be made which would permit the introduction of the bill now, would permit the bill to be advanced any number of stages at any one sitting, would order the bill for consideration on second reading at four o'clock this afternoon and that the bill be referred, upon second reading, to committee of the whole. After the House has had an opportunity of seeing the bill at four o'clock I may have further requests.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, with respect to the announcement by the House leader, we are prepared to consent to his request for expedition. I hope that we can have, well in advance of four o'clock, copies of the bill which we are to review, which is in accordance with some discussions that were held this morning.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there have been discussions among the representatives of the parties along the lines indicated by the government House leader. I may say that we are prepared to give consent to the introduction and first reading of the bill at this time. We are also prepared to give consent to an order for second reading consideration to start at four o'clock, and for the order to be that the bill be referred to committee of the whole House.

I may say that this consent is on the understanding that a printed copy of the bill in some form will be in our hands within minutes. I see the government House leader nodding his head. We will need time to study the bill. Any further consents, of course, will have to wait until four o'clock.

● (1410)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I attended the meeting of the House leaders this morning and, on behalf of my party, I agreed that the bill be read a second time as soon as possible and referred to the committee. I trust the House will continue to support the request of the minister.

[*English*]

Mr. Speaker: Order, please. There are two points in respect of the distribution of the bill. For the benefit of hon. members, I am able to confirm that the bill has already been printed in sufficient copies to distribute in English. The French copies are on their way, so it is to be hoped that that request is therefore complied with. There is, however, a minor variance between the consent which has been put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) and that put forward at the suggestion of the President of the Privy Council (Mr. Sharp). The President of the Privy Council has suggested an order that the bill be advanced more than one stage today, which of course would go beyond committee stage and perhaps to third reading in the same day. I take it that the hon. member for Winnipeg North Centre is extending his consent, and that of his colleagues, only to the point of putting it into committee of the whole this afternoon, or does his consent go on to further stages if that is agreed to?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think I made our position quite clear, and I am sure the government House leader understands it. Our consent is that we are willing to start second reading at four o'clock today, and we are willing that when the second reading debate finishes the bill shall go into a committee of the whole House. We are not at this point giving consent to any further expedition. We reserve that until we have seen the bill.

Mr. Speaker: Since the order must be upon the consent of all hon. members at this time, the order would be up to the point of the committee stage, the bill going into committee of the whole stage as outlined by the President of

the Privy Council, and if those terms are agreed to it shall be so ordered. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

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WEST COAST PORTS OPERATIONS ACT, 1975

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING OPERATIONS ON THE WEST COAST

Hon. John C. Munro (Minister of Labour) moved for leave to introduce Bill C-56 entitled "An Act to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada."

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

Mr. Speaker: In accordance with the order just made, the bill shall be read the second time at four o'clock this afternoon.

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AGRICULTURE

REQUEST FOR STATEMENT ON MEASURES TO AID POTATO PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in accordance with Standing Order 43, and in view of the disastrous drop in the price of table stock potatoes from Prince Edward Island on the Ontario market by some 74 per cent this week, as advertised by a national food chain, meaning a return for the farmer of much less than half the cost of production, and in light of the continuing failure of the Minister of Agriculture (Mr. Whelan) to announce immediate aid to the potato producers of Eastern Canada or long-term alternatives for effective and fair marketing procedures, I move, seconded by the hon. member for Huron-Middlesex (Mr. McKinley):

That the Minister of Agriculture make a statement on motions within the next 48 hours indicating the action he is prepared to take to rescue the potato industry of Prince Edward Island and New Brunswick from extensive bankruptcy and the collapse of numerous family farm units.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and requires the unanimous consent of the House prior to presentation. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

THE CANADIAN ECONOMY

SUGGESTED ALL-PARTY COMMITTEE TO STUDY MEASURES TO COMBAT INFLATION AND UNEMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to present a motion pursuant to Standing Order 43 relating to a crisis situation of the utmost concern to all Canadians. Canada's economic problems have become immense. This situation is too serious to be affected by the pressures of partisan politics. I would, therefore, hope that all members of this House will give careful consideration to the following motion. I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That it is the will of this House that the Prime Minister set up an all-party committee to deal with the very serious problems of inflation and unemployment, to draw up guidelines for wage settlements and arbitration rules to decrease the number and frequency of serious and crippling strikes and to study the recommendation of further immediate tax reductions to low and middle income Canadians.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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BILINGUALISM

GOVERNMENT DECISION DESIGNATING ROYAL MILITARY COLLEGE BILINGUAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion under the provisions of Standing Order 43 as a result of numerous representations received from my constituency and elsewhere on the subject of the Royal Military College, Kingston. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That in the opinion of the House there is no justification or any necessity for the Royal Military College, Kingston, Ontario, becoming a bilingual institution. Since such a move would constitute unwarranted expense of some millions of dollars and not be in accordance with the recommendation of the Royal Commission on Bilingualism and Biculturalism, the government should, therefore, rescind immediately its recent decision designating the Royal Military College bilingual.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

HISTORIC SITES

PROPOSED RECONSIDERATION OF ADMISSION FEE TO LOWER FORT GARRY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to propose a motion under the provisions of Standing Order 43. I do so because in these days when Canadians are being urged to be interested in the heritage that is ours we in Manitoba find it difficult to understand the rather exorbitant fee that is to be levied, starting April 1, for admission to Lower Fort Garry on the Red River, in our province of Manitoba. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the Minister of Indian Affairs and Northern Development to cancel the proposal, which has been set to come into effect on April 1, to charge a fee of $2 per person or $5 per family for admission to Lower Fort Garry, a place which should be open to all Canadians who wish to visit it, Lower Fort Garry being part of our western heritage and truly a national historic site.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PROCEDURE AND ORGANIZATION

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council) moved that the second report of the Standing Committee on Procedure and Organization presented to the House on Friday, March 14, 1975 be concurred in.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

On the order: Motions

March 21, 1975—The President of the Privy Council:

That when the House adjourns on Wednesday, March 26, 1975, it shall stand adjourned until Monday, April 7, 1975, provided that at any time prior to that date, if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

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

Mr. Sharp: Mr. Speaker, could this motion be stood for consideration later?

Mr. Speaker: Is it agreed that the motion shall stand for later consideration?

Some hon. Members: Agreed.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AMENDMENTS TO CHANGE THE CALCULATION OF PROVINCIAL REVENUE EQUALIZATION REVENUE RELATED TO PROVINCIAL OIL AND GAS REVENUES

Hon. Mitchell Sharp (for Minister of Finance) moved for leave to introduce Bill C-57, to amend the Federal-Provincial Fiscal Arrangements Act, 1972.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 813, 894, 1,130, 1,189, 1,242, 1,355, 1,361, 1,364, 1,458, 1,474, 1,516, 1,525, 1,529, 1,548, 1,552, 1,578, 1,582, 1,607, 1,664, 1,677, 1,710, 1,711, 1,713, 1,714, 1,716, 1,717, 1,718, 1,719, 1,720, 1,722, 1,727, 1,730 and 1,760.

If questions No. 547, 703, 784, 1,036, 1,663 and 1,745 could be made orders for return these returns would be tabled immediately.

Would you be so kind as to call starred question No. 1,678?

I ask that the remaining questions be allowed to stand.

[*Text*]

COMPANY OF YOUNG CANADIANS EMPLOYEES

Question No. 813—**Mr. Stevens:**

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

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

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Company of Young Canadians as follows: 1.

(a) 1968—233
1970—171
1972—271
1974—335

(b) 1968—$ 413,069.64
1970—$ 301,199.88
1972—$1,389,125.76
1974—$2,175,122.52

		1968	1970	1972	1974
(c) (i)	$20,000 or more	Nil	Nil	1	2
(ii)	$35,000 or more	Nil	Nil	Nil	Nil
(iii)	$50,000 or more	Nil	Nil	Nil	Nil

2.

1968—1	$17,000—19,000	4	$12,000—14,000
1970—1	$17,000—19,000	4	$11,000—13,000
1972—1	$20,000—22,000	4	$13,000—15,000
1974—1	$26,000—28,500	4	$19,000—22,000

CANADIAN ARMED FORCES—PILOT TRAINING

Question No. 894—**Mr. Neil:**

1. How many Canadian Armed Forces personnel graduated as pilots in each year 1968 to 1973 inclusive and, of these, how many are still members of the Forces?

2. What is the estimated cost of pilot training?

Hon. James Richardson (Minister of National Defence): 1. The number of Canadian Forces personnel, who graduated as pilots in each year 1968 to 1973 inclusive and the number who are still members of the forces are listed in the table below:

Year	Number of Graduates Regular Forces	Reserves	Total	Number still in the Forces
1968	99	—	99	70
1969	223	—	223	195
1970	151	—	151	139
1971	51	10	61	50
1972	86	1	87	73
1973	40	8	48	34

2. The estimated current annual cost of all pilot training is $26.6 million stated in fiscal year 1974/75 dollars. Of this sum $3.5 million will be recovered from the Netherlands for the cost of training Dutch pilots.

CODE OF CONDUCT FOR LINER CONFERENCES

Question No. 1,130—**Mr. Forrestall:**

Has the government established any interdepartmental groups to examine the impact upon Canadian shipbuilding, ship repair and merchant seamen and officers of the possible ratification by Canada and sufficient others of the world community of the proposed Code of Conduct for liner conferences flowing from the UNCTAD meetings in 1974 and (a) if so, what is the membership and what are the terms of reference (b) if not, for what reason?

Hon. Jean Marchand (Minister of Transport): (a) Interdepartmental groups have not been established to examine the impact upon Canadian shipbuilding, ship repair and merchant seamen and officers of the possible ratification by Canada and sufficient others of the world community of the proposed Code of Conduct for liner conferences flowing from the UNCTAD meetings in 1974; (b) The Convention on a Code of Conduct for Liner Conferences has many optional provisions. For instance, the 40-40-20 cargo sharing formula would apply only when some other formula is not agreed. Nor need ships participating in a conference on behalf of one country, necessarily be owned or registered in that country. Hence, the effect the convention will have if it is implemented, is still being studied by the international community. Canada is participating in these international consultations. The focus for this participation is in various working groups established under the Interdepartmental Committee on Marine Transportation. Pending greater clarity as to the likely effect of the convention, and the likelihood of its implementation and acceptance by Canada's major trading partners, interdepartmental working groups have not been assigned to the specific subject areas in question.

ESTIMATED EXPENDITURES IN PETROLEUM AND NATURAL GAS

Question No. 1,189—**Mr. Brisco:**

What is the total sum the government estimates will be spent in the next ten years in order to maintain Canadian self sufficiency in petroleum and natural gas for (a) the next ten year period (b) the next twenty year period (c) the next thirty year period?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: (a) Up to $50 billion by industry and governments over the next 10 years. (b) and (c) The amounts to be spent over the next 20 and 30-year periods will depend on the results of exploration and other programs during the next 10 years.

NATIONAL DEFENCE—NON-RECOVERABLE EXPENSES

Question No. 1,242—**Mr. Herbert:**

During each of the past five years, what has been the total amount, by department, of non-recoverable expenses of the Department of National Defence resulting from agreements to provide emergency assistance, when requested, for other departments?

Hon. James Richardson (Minister of National Defence): The records of the department are not kept in a manner that will provide the requested information.

REMUNERATION TO DIRECTORS OF PROPRIETARY CORPORATIONS

Question No. 1,355—**Mr. Herbert:**

How many directors of each proprietary corporation receive any remuneration from the corporation in addition to their fees and expenses as board members?

Hon. Mitchell Sharp (President of the Privy Council): The Farm Credit Corporation, Two; Canada Deposit Insurance Corporation, One; Nil returns have been submitted by all other proprietary corporations.

BUTTER IMPORTS

Question No. 1,361—Mr. Lambert (Bellechasse):

Did Canada import butter during the period from April 1, 1974 to December 31, 1974 and, if so (a) from what countries (b) at what cost (c) what quantity was imported from each country?

Hon. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that imports of butter into Canada in the period April to December, 1974 amounted to 41,716,900 pounds for a value of $24,666,000. The table below shows the amount imported from each country of consignment and the average price in cents per pound.

Imports of Butter (Import Commodity Class 51-09) by Country

	From April 1, 1974 to December 31, 1974		
Country	Quantity lbs.	Value ($'000)	Average Price in cents
Finland	1,572,200	770	$ 0.49
Sweden	6,613,700	3,540	0.54
Australia	15,680,000	9,487	0.61
New Zealand	17,615,800	10,756	0.61
United States	235,200	103	0.44
Total	41,716,900	24,666	0.59

CANADIAN ARMED FORCES—RETIREMENT COST 1974-75

Question No. 1,364—Mr. Herbert:

What is the estimated cost in the current fiscal year of retirement pay to (a) officers (b) servicemen in the Canadian Armed Forces?

Hon. James Richardson (Minister of National Defence): The estimated cost in the current fiscal year of retirement pay (severance pay) is as follows: (a) Officers $4,956,847; (b) Servicemen $9,873,872.

NATIONAL HOUSING ACT ASSISTANCE FOR RURAL HOUSING

Question No. 1,458—Mr. Howie:

1. Is consideration being given to extend CMHC loans and housing programmes to rural parts of the Atlantic Provinces?

2. Are there any plans (a) to provide increased financial assistance to the provinces for land assembly programme to lower the cost of lands for new housing projects (b) to provide grants to reduce interest payments for middle and lower income families (c) to take any steps to direct all available low down payment mortgage money toward the purchase of moderately-priced homes?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: Loans and housing programs under the National Housing Act are available to rural areas of the Atlantic provinces, and elsewhere in Canada. The Rural and Native Housing Program places emphasis on the application of this assistance in communities of 2,500 population or less, and in rural areas, through the Public Housing provisions of Section 40, Assisted Home Ownership Program of Section 34.15, and Residential Rehabilitation of Section 34.1.

(2)(a) The capital budget for Central Mortgage and Housing Corporation for 1975 allocates approximately $107 million to federal-provincial land assembly and development programs. These funds are intended to stabilize and, where possible, reduce serviced land prices for new housing projects. The amendments to the National Housing Act, currently being considered include proposals to broaden the assistance available to municipalities under the sewage treatment loan program. (b) Grants to reduce interest payments for middle and lower income families, in the form of a reduction of the mortgage interest rate and of subsidies on mortgage payments, are available under the Assisted Home Ownership program. The proposed amendments to the National Housing Act include provision for extenting these subsidy benefits to low and moderate income housing financed through approved lenders under the National Housing Act; (c) Low down-payment mortgage money is directed toward the purchase of moderately priced homes under the existing Assisted Home Ownership Program, and this direction will be extended under the proposed Assisted Home Ownership Program financed through the approved lenders.

BARLEY AND CEREAL CROPS USED BY LIQUOR INDUSTRY

Question No. 1,474—Mr. Friesen:

How many bushels or tons of barley and other cereal crops were used by the liquor industry in the years 1972, 1973 and 1974?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that the tons of barley and other cereal crops used by the liquor industry in the years 1972, 1973 and 1974 are as given in the table below.

Quantities of Cereals and Malts Used in the Production of Beer and Liquor in Canada

	1972	1973	1974
		tons	
(1) Cereal flakes, grits and meals:[1]			
Corn, Canadian	325,816	269,143	270,336
Corn, imported	121,412	239,403	240,144
Barley	5,243	1,768	110
Rice	1,528	2,136	2,163
Rye	92,600	96,599	80,993
Soybean	5	4	2
Wheat	3,974	2,826	1,263
Other cereals	11,734	5,193	1
(2) Malts:[2]			
Barley, Canadian	321,731	334,793	338,415
Barley, imported	4	1,506	803
Other cereal malts	included with barley malt		2,047

[1] Whole grains are not used as such; they must be degermed. In the conversion of whole grains to flakes, grits and meals approximately 24 per cent by weight is converted to other products and waste. 1 bushel of corn weighs approximately, 56 pounds; 1 bushel of barley weighs approximately, 48 pounds; 1 bushel of rye weighs approximately, 56 pounds; 1 bushel of wheat weighs approximately, 60 pounds.

[2] In the malting process whole grains are used. One ton of grain yields approximately ¾ tons of malt and a considerable amount of by products. The latter are used in the animal feeds industry.

POSSIBLE DISBANDING OF 11TH FIELD BATTERY IN HAMILTON

Question No. 1,516—**Mr. O'Sullivan:**

1. Has the Department of National Defence any plans for disbanding the Eleventh (Hamilton) Field Battery?

2. Has the Department budgeted for the continuation of this Battery and, if so, what is the total amount of current budgeting and for what purposes is this amount designated?

Hon. James Richardson (Minister of National Defence): 1. No.

2. The Department of National Defence has budgeted for the battery's continuation. The budget for the current fiscal year is estimated at $17,645. These funds are allocated to the Battery's Regimental Headquarters in Guelph for the battery's local headquarters training and pay. In addition, resources are made available by the regimental headquarters for out-of-unit courses and training exercises.

UNIGUARD BAGGAGE SECURITY SYSTEM

Question No. 1,525—**Mr. Reynolds:**

With reference to the answer to Question No. 1,094, what is Air Canada's cost of the Uniguard baggage security system at the Vancouver International Airport and what percentage is this of the total cost?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: All major airlines serving Vancouver International Airport pay a percentage of the total cost of this baggage security system based on the number of incoming passengers on each carrier, as recorded in Ministry of Transport reports. Introduced in September, 1974, the system cost Air Canada in October $1,369, representing 42 percent of the total cost; in November $1,733 or 43 percent of the total; in December $2,674 or 46 percent of the total.

FOREIGN INVESTMENT

Question No. 1,529—**Mr. Leggatt:**

1. (a) What is the number of businesses established by foreign persons or corporations, since April 9, 1974, which would have required approval under the Foreign Investment Review Act had Section 6 and other provisions of the Act insofar as they related to the establishment of new businesses been proclaimed on that date (b) what are the names of the foreign persons or corporations who have established these businesses and the names of the businesses (c) what is the asset value of each such business (d) what is the number of businesses of the same kind established for the same period in preceding years?

2. How many proposed real estate transactions by non-eligible persons have been reviewed under the Act and, of these, how many were (a) rejected (b) approved and, in each case, what were the names and principals involved in such transactions?

3. What are the criteria of "significant benefit" applied by the Foreign Investment Review Agency in reviewing applications for proposed real estate transactions?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The requested information is not available to the government.

[Mr. Clermont.]

2. As of February 24, 1975, applications concerning three acquisitions of control of real estate businesses had been reviewed. Of these, one was allowed, one was deemed to be allowed and one was disallowed. The names of the parties in those three cases were as follows: Applicant, Peru Investments Limited (allowed); Owner of Canadian Business enterprise, R. J. Layton and B. Saskin; Applicant, Memrad Holdings Limited (deemed to be allowed); Owner of Canadian Business enterprise, Curb Enterprises Limited; Applicant, Matignon Properties Limited (disallowed); Owner of Canadian Business enterprise, Manulife Holdings (Quebec) Limited.

3. The criteria for determining significant benefit to Canada in respect of all acquisitions of control of Canadian business enterprises by non-eligible persons, including real estate businesses, are those five groups of factors set out in subsection 2(2) of the Foreign Investment Review Act. The extent to which each criterion is relevant to individual applications will vary depending on the industry involved, the plans of the applicant and other particulars of the transaction.

NATIONAL DEFENCE—NUMBER OF RETIRED PERSONNEL ON PENSION

Question No. 1,548—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired Armed Forces personnel are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets (a) less than $20.00 per month (b) $20.00 to $29.99 per month (c) $30.00 to $39.99 per month (d) $40.00 to $49.99 per month (e) $50.00 to $59.99 per month (f) $60.00 to $69.99 per month (g) $70.00 to $79.99 per month (h) $80.00 to $89.99 per month (i) $90.00 to $99.99 per month (j) $100.00 to $149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $249.99 per month (m) $250.00 to $299.99 per month (n) $300.00 per month and over?

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

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

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

Hon. James Richardson (Minister of National Defence): 1. As of January 31, 1975, the number of retired Armed Forces personnel receiving monthly pensions totaled 44,568 as follows: (a) less than $20, 43; (b) $20 to $29.99, 66; (c) $30 to $39.99, 137; (d) $40 to $49.99, 253; (e) $50 to $59.99, 239; (f) $60 to $69.99, 192; (g) $70 to $79.99, 258; (h) $80 to $89.99, 341; (i) $90 to $99, 485; (j) $100 to $149.99, 2,885; (k) $150 to $199.99, 6,193; (l) $200 to $249, 8,068; (m) $250 to $299.99, 6,790; (n) $300 and over, 18,618.

2. The number of widows receiving monthly pensions totaled 4,412 as follows: (a) less than $20, 52; (b) $20 to $29.99, 47; (c) $30 to $39.99, 38; (d) $40 to $49.99, 57; (e) $50 to $59.99, 61; (f) $60 to $69.99, 103; (g) $70 to $79.99, 148; (h) $80 to $89.99, 212; (i) $90 to $99.99, 230; (j) $100 to $149.99, 1,120; (k) $150 to $199.99, 953; (l) $200 to $249.99, 639; (m) $250 to $299.99, 288; (n) $300 and over, 484.

3. The number of retired Armed Forces personnel and widows of Armed Forces personnel presently residing in each province is as follows:

Provinces	Personnel	Widows
Newfoundland	198	15
Prince Edouard Island	372	38
Nova Scotia	4,125	378
New Brunswick	1,559	156
Quebec	3,831	458
Ontario	17,677	1,903
Manitoba	1,883	189
Saskatchewan	584	80
Alberta	3,712	298
British Columbia	9,352	737
Territories	80	6
Outside Canada	1,195	154
	44,568	4,412

4. Number of orphans, 119; Average month by amount, $53.84.

CANADIAN NATIONAL RAILWAYS PENSION FUND

Question No. 1,552—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount of money on the books of the pension funds of the Canadian National Railways as at (a) December 31, 1972 (b) December 31, 1973 (c) December 31, 1974?

2. What rate of interest was earned on these funds during (a) 1972 (b) 1973 (c) 1974?

3. What amount of interest was credited to these funds during the years ending (a) December 31, 1972 (b) December 31, 1973 (c) December 31, 1974?

4. What amount of money was added to these funds from employee contributions during the years ending (a) December 31, 1972 (b) December 31, 1973 (c) December 31, 1974?

5. What amount of money was added to these funds as regular or current contributions by the Canadian National Railways during the years ending (a) December 31, 1972 (b) December 31, 1973 (c) December 31, 1974?

6. What amount of money was added to these funds in any other way by the Canadian National Railways during the years ending (a) December 31, 1972 (b) December 31, 1973 (c) December 31, 1974?

7. Is money owed to the above funds by the Canadian National Railways and, if so, how much and what arrangements are being made to meet such debt?

8. What was the total amount paid out of the above funds in pensions during the years ending (a) December 31, 1972 (b) December 31, 1973 (c) December 31, 1974?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. As at December 31, 1972, $950,613,245; As at December 31, 1973, $1,049,845,076; As at December 31, 1974, $1,170,070,599.

2. To calculate the yield we have used the Statistics Canada formula and the information requested in questions (1) and (3). Under this formula, the investment is deemed to be opening investments plus closing investments, less earnings divided by two. On this basis, the yield is: 1972, 7.00 per cent; 1973, 5.20 per cent; 1974, 5.76 per cent.

3. Year ended December 31, 1972, $60,803,818; Year ended December 31, 1973, $50,010,249; Year ended December 31, 1974, $61,131,731.

4. Year ended December 31, 1972, $35,746,648; Year ended December 31, 1973, $36,893,626; Year ended December 31, 1974, $47,897,419.

5. Year ended December 31, 1972, $49,144,802; Year ended December 31, 1973, $77,839,494; Year ended December 31, 1974, $83,838,271.

6. Year ended December 31, 1972, $4,579,425; Year ended December 31, 1973, $9,847,150; Year ended December 31, 1974, $12,030,905.

7. At December 31, 1974 Canadian National Railways owed the payment due for December, $7,210,397, which was paid in January, 1975.

8. Year ended December 31, 1972, $70,419,462; Year ended December 31, 1973, $75,358,688; Year ended December 31, 1974, $84,672,803.

SPECIAL FISH PLANT WATER SYSTEMS PROGRAMME

Question No. 1,578—**Mr. Marshall:**

With respect to item 12 of Canada-Newfoundland Subsidiary Agreement "Special Fish Plant Water Systems Program", what list of locations will be included for (a) providing salt water supply systems (b) installing of fresh waterlines from reservoirs (c) the connecting of fishing facility waterlines (d) the drilling of wells?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: (a) Various locations to be determined in consultation with the province. (b) Burnt Island, Newstead-Comfort Cove, Hermitage, Southern Harbour, St. Brides, New Harbour. (c) Port-aux-Basques, Little Bay Islands, Newstead-Comfort Cove, Hermitage, Southern Harbour, St. Brides, Admiral's Beach, Valleyfield, Bay Bulls. (d) Little Bay Islands.

ENERGY RESEARCH

Question No. 1,582—**Mr. Jones:**

1. With reference to the federal tax dollars being invested in the Syncrude Development, what steps have been taken to broaden the study and research for other oil sources and other forms of energy?

2. Is the government prepared to follow a similar formula for development of other oil sources and other forms of energy?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. The office of Energy Research and Development of the Department of Energy, Mines and Resources is examining energy research opportunities and will be making recommendations to the government shortly.

2. Government participation in nuclear energy research is already very extensive. New opportunities in coal and oil research are being assessed on a continuing basis. Increasing attention is also being given to renewable sources of energy.

Order Paper Questions

CANADA-NEWFOUNDLAND SUBSIDIARY AGREEMENT

Question No. 1,607—**Mr. Marshall:**

1. What are the names and positions of the members of the Management Committee overseeing the implementation of projects specified in Section 3 of the Canada-Newfoundland Subsidiary Agreement on Highways?

2. With respect to project description No. 4, "Northern Peninsula Highway classification RCU 50 alignment and RCU cross-section at estimated cost of $2,430,000.00", what is the present status and expected completion date for (a) re-construction and grading from Daniel's Harbour towards Hawke's Bay, 13 miles (b) access road to zinc mine in Daniel's Harbour, 4 miles (c) two bridges at Bowing Brook and Bound Brook?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is: 1. R. H. McGee (Co-Chairman), Director General, Newfoundland Department of Regional Economic Expansion, St. John's, Newfoundland. J. A. G. MacDonald (Co-Chairman), Deputy Minister, Dept. of Transportation and Communications, Government of Newfoundland and Labrador, St. John's, Newfoundland. Cyril Abery, Executive Director, Intergovernmental Affairs Secretariat, Government of Newfoundland and Labrador, St. John's, Newfoundland.

2. (a) Reconstruction and grading from Daniel's Harbour towards Hawke's Bay, 13 miles: Complete. (b) Access road to zinc mine in Daniel's Harbour: Complete. (c) Two bridges at Bowing Brook and Bound Brook: not begun yet. The estimated date of completion is September 10, 1975.

LIP—AUTHORIZATION OF ADDITIONAL FUNDS

Question No. 1,664—**Mr. Hnatyshyn:**

Is the government giving consideration to authorizing additional funds for the Local Initiatives Programme and extending the expiry date to April 30, 1975?

Hon. Robert K. Andras (Minister of Manpower and Immigration): At the present time such consideration is not being given. There is no fixed expiry date fot the program. The termination date for any given project varies depending upon the project's starting date. A 1974-75 LIP project may operate for a maximum of 26 weeks, commencing as early as December 1, 1974 and as late as January 31, 1975.

LITERATURE FROM THE CANADIAN GOVERNMENT OFFICE OF TOURISM

Question No. 1,677—**Mr. Cossitt:**

1. Is the Canadian Government Office of Tourism sending out literature to predominantly English speaking areas in Canada in the French language only and, if so, what are all the reasons for doing this?

2. (a) For what reason did the Canadian Government Office of Tourism send literature in the French language only to Mrs. Ruth MacLeod of Brockville, Ontario in answer to a request received from her written in the English language (b) did the Office receive a second letter from Mrs. MacLeod drawing this situation to their attention and, if so, on what date and what action has been taken?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The Canadian Government Office of Tourism services inquiries according to the language of the inquirer.

[Mr. Foster.]

2. (a) Mrs. Ruth MacLeod should have been sent English literature. Unfortunately, however, she was sent French publications due to a clerical error in the coding process. (b) The Canadian Government Office of Tourism receives over 2 million inquiries per year. Due to this volume, serviced inquiries are not kept. In a telephone conversation with Mrs. MacLeod, it was determined that she had not received a second package, possibly because of the current mail strike. A back-up package has been prepared and sent.

*RATIFICATION OF PROPOSED CODE OF CONDUCT FOR LINER CONFERENCE

Question No. 1,678—**Mr. Forrestall:**

Has the government decided whether or not to ratify the proposed Code of Conduct for Liner Conferences flowing from the UNCTAD meetings of 1973 and 1974 and (a) if not, is the matter being studied (b) if so, what decision has been made?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): (a) A Canadian international shipping policy is currently under review and will include a study of the implications of the Code of Conduct for Liner Conferences for Canada. (b) No decision has been made as to whether or not the Canadian government will ratify the code. Canada abstained on the voting on the Convention on the Code of Conduct for Liner Conferences in April 1974 on the grounds that certain provisions of this code would enable national shipping lines to secure pooling or sailing agreements with a conference for other than normal commercial considerations. In addition the conciliation provisions appeared costly and perhaps unworkable while other provisions could well reduce the competitive influences in international shipping.

LEAKS OF RADIO-ACTIVE POLLUTANTS AT NUCLEAR FACILITIES

Question No. 1,710—**Mr. Francis:**

1. Have there been any leaks of radio-active pollutants at nuclear facilities and, if so, what was the nature and extent of such leaks?

2. How much money has been spent by Order in Council or other means to stop such leaks?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: 1. This inquiry appears to be related to the discovery of leaks in the pressure tubes of unit No. 3 of the Pickering generating station in August, 1974. The leaks in question are best described as internal leaks in that they involved leakage of heavy water from the pressure tubes (in which uranium fuel bundles are located) into a closed annulus formed by the pressure tubes and surrounding calandria tubes. There was no escape of this heavy water outside of reactor systems. Further barriers to the escape of such heavy water exist including the concrete reactor containment building. Extensive investigations by the owner, Ontario Hydro, and by Atomic Energy of Canada Limited have revealed the cause of the leaks and the necessary corrective measures including the replacement of a number of pressure tubes have been completed. It is expected that the unit will be returned to operation shortly.

2. Costs associated with the shutdown of unit No. 3 of the Pickering generating station and replacement of the defective pressure tubes have been borne by Ontario Hydro. Atomic Energy of Canada Limited has carried out fundamental investigations of the pressure tube failure mechanism. An ongoing program will utilize the results of these investigations in connection with the design of currently committed and future CANDU nuclear power stations.

CHALK RIVER—PROTECTED PLACE

Question No. 1,711—**Mr. Francis:**

Was the nuclear facility in Chalk River declared a protected place in June 1974 and, if so, for what reasons?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: Chalk River Nuclear Laboratories was declared a protected place by Order of the Atomic Energy Control Board dated July 19, 1947 as amended March 27, 1952. A new designating Order was made in June, 1974 to comply with Section 14 of the Atomic Energy Control Regulations which came into effect on June 4, 1974.

SALE OF PLUTONIUM TO FOREIGN BUYER

Question No. 1,713—**Mr. Francis:**

Has Canada sold plutonium to any foreign buyer and is it continuing to do so?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: Yes. Canada has sold spent fuel containing plutonium to France under bilateral safeguards implemented by Canadian safeguards inspectors. Any future sale of nuclear material would be under current safeguards policy as announced by the Minister of Energy, Mines and Resources on December 20, 1974.

PREVENTION OF PROLIFERATION OF NUCLEAR WEAPONS

Question No. 1,714—**Mr. Francis:**

Is the government convinced that any bilateral agreement with a purchaser of a CANDU reactor will prevent the proliferation of nuclear weapons when the controlling international agency, the International Atomic Energy Commission, accepts a difference between "peaceful" and "non-peaceful" explosions and Canada does not accept such a difference?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: The present policy of the Canadian government is to insist on an international safeguards system implemented by the International Atomic Energy Agency, or other appropriate alternative procedures. The Canadian government will only permit the export of Canadian nuclear material, equipment or technology to countries with whom satisfactory commitments exist to ensure that these exports will not be used for the development or production of any nuclear explosive device.

DISCLOSURE OF INFORMATION RELATING TO NUCLEAR WEAPONS

Question No. 1,716—**Mr. Francis:**

Does the oath of secrecy taken by people working in the nuclear field relate only to information related to nuclear weapons or does it now include information relating to public health?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: The oath of fidelity and secrecy taken by employees of the Atomic Energy Control Board and Atomic Energy of Canada Limited pursuant to Section 18 of the Atomic Energy Control Act is set out in the schedule to that act. The scope of application of this oath has not been the subject of interpretation. Section 26 of the Atomic Energy Control Regulations prohibits the disclosure of proprietary information obtained by the board except as stated therein, and Section 13 prohibits disclosure by any person including board employees of certain information relating to nuclear weapons.

ATOMIC ENERGY CONTROL REGULATIONS—SUSPENSION OF LICENCES

Question No. 1,717—**Mr. Francis:**

Has the Atomic Energy Control Board suspended the licence of any licence holder without giving the holder an opportunity to be heard in the interests of health, safety or security and, if so, what were the circumstances that led to such a decision?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: Since the coming into effect of the revised Atomic Energy Control Regulations on 4 June 1974, the Atomic Energy Control Board suspended the licences of one licensee after having provided a hearing by the Board.

ATOMIC ENERGY CONTROL REGULATIONS—SUSPENSION OF LICENCES

Question No. 1,718—**Mr. Francis:**

Has any licence issued by the Atomic Energy Control Board been revoked, suspended or amended and, if so, what were the circumstances that led to such a decision?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: Since the coming into effect of the revised Atomic Energy Control Regulations on June 4, 1974, the Atomic Energy Control Board suspended the licences of one licensee as a result of violations of the Atomic Energy Control Regulations in failing to report an incident involving the malfunction of a radiography camera and the improper shipment of that camera and radioactive source by commercial road transport.

DISPOSAL OF RADIOACTIVE WASTES

Question No. 1,719—**Mr. Francis:**

Is the solvent used in hospitals to dilute radio-active wastes before pouring them down the sink highly toxic?

Mr. Maurice Foster, (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy

Control Board reports as follows: No. Tap water is the solvent normally used in hospitals to dilute radioactive wastes.

DISPOSAL OF RADIOACTIVE WASTES

Question No. 1,720—**Mr. Francis:**

Are the radio-active wastes poured down the sinks of some hospitals (a) accumulating in the local water supply and getting into the life cycle (b) cancer producing and, if so, will the Atomic Energy Control Board consider re-institution of the pick-up of such wastes for a safer method of disposal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: (a) As radioactive wastes which are permitted to be poured down the sinks of hospitals generally have short radioactive half-lives, they rapidly decay before they can accumulate to detectable levels in the water supply and the life cycle of humans. (b) While most radioactive materials have the potential of producing cancer if ingested at a high enough concentration for a long enough period, disposal in the sewer and at the required high dilution make the possibility of significant intake very remote. The Atomic Energy Control Board has never had a system of pick-up of such wastes. A commercial service is provided by Atomic Energy of Canada Limited for radioactive wastes which require special waste management.

DISPOSAL OF RADIOACTIVE WASTE

Question No. 1,722—**Mr. Francis:**

1. What procedures are used by hospitals and other licencees of the Atomic Energy Control Board to dispose of their radio-active waste?

2. Is waste on occasion put into public sewers?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: 1. The procedures to be used for the disposal of radio-active materials are specified in the Radioisotope Licence and are generally one or more of the Following: (a) return to supplier; (b) dilution with water at the point of disposal to the sewer to a level not greater than the maximum permissible concentration of drinking water; (c) storage of short-lived radioisotopes until radioactive decay has occurred; (d) disposal in approved waste management sites after prior arrangements.

2. Aqueous radioactive wastes are put into the sewer after sufficient dilution to meet requirement (b) in the reply to part 1 of this question.

LICENCES TO USERS OF RADIO-ACTIVE MATERIALS

Question No. 1,727—**Mr. Francis:**

How many licences have been issued by the Atomic Energy Control Board to users of radio-active materials?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: The Atomic Energy Control Board has approximately 3,000 licensees.

[Mr. Foster.]

CANDU REACTORS

Question No. 1,730—**Mr. Francis:**

What is the life expectancy of a CANDU reactor?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows: For amortization purposes the practice of electric power utilities, such as Ontario Hydro, is to assign a 30-year "lifetime", or write-off period, to thermal power stations, both fossil and nuclear (CANDU). The actual lifetime of a CANDU unit is expected to be much longer than 30 years. For so long as it meets the criteria of reliability, safety and economic viability, a nuclear power unit will be kept in operation. If components wear out or become defective, they will be replaced. The technology to do so exists.

NUMBER OF PUBLIC SERVANTS WORKING IN THE CONTINENTAL REGIONS

Question No. 1,760—**Mr. Herbert:**

In the Department of Manpower and Immigration for the month of April 1975, what is the budgeted number of public servants to work in the continental regions of (a) North America excluding Canada (b) South America (c) Europe (d) Asia (e) Australasia?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) 30; (b) 4; (c) 90; (d) 37; (e) 3.

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QUESTIONS PASSED OR ORDERS FOR RETURNS

EXPENDITURES BY DEPARTMENTS FOR ADVANCED EDUCATION

Question No. 547—**Mr. Gauthier (Ottawa-Vanier):**

1. Since 1968, what was the amount spent by all departments and agencies to allow public servants to improve (a) their proficiency in (i) language (ii) administration (b) post secondary and university education?

2. By department and agency, what was the number, name and position of public servants who benefitted from sabbatical leave to attend improvement courses since 1968?

Return tabled.

DEPARTMENT OF PUBLIC WORKS—TRAVEL EXPENSES

Question No. 703—**Mr. Stevens:**

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

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

Return tabled.

FEDERAL GRANTS TO UNITED AIRCRAFT OF CANADA

Question No. 784—**Mr. Lambert (Bellechasse):**

1. Has United Aircraft of Canada received any grants from the government during the years 1968, 1969, 1970, 1971, 1972, 1973 and 1974 for (a) research (b) construction or enlarging its plant (c) creating jobs and, if so, what amount was granted and paid by different departments for each of these years?

2. Has the Company received any loans from Crown corporations?

3. What are the amounts, the interest rates and reimbursement conditions of these loans?

Return tabled.

LIP—GRANTS IN CONSTITUENCY OF CAPILANO

Question No. 1,036—**Mr. Cossitt:**

1. What was the total amount of money allocated under the Local Initiatives Programme for 1972-73 in the constituency of Capilano (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

DREE—ARDA PROGRAMME PROJECTS, REGINA, SASKATCHEWAN

Question No. 1,663—**Mr. Hnatyshyn:**

In connection with projects applied for in Saskatchewan under the special ARDA programme of the Department of Regional Economic Expansion from January 1971 to December 1974 (a) what was the name and location of the projects (b) what was the estimated number of jobs to be created and the number of jobs actually created for each (c) what was the total cost of each of the projects?

Return tabled.

AIRPORTS—VACANCIES CREATED BY IN MAINTENANCE GROUP DURING 12 MONTH PERIOD

Question No. 1,745—**Mr. Forrestall:**

1. For the most recent 12 month period, how many vacancies have been created at (a) Halifax (b) Toronto (c) Montreal (d) Vancouver (e) Winnipeg airports in the maintenance group by trade and classification?

2. How many such vacancies (a) have not been filled (b) have been filled (c) were filled after one month or more delay, by trade and classification?

3. What is the general reason for the delays?

Return tabled.

● (1420)

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

"IRVING WHALE" SALVAGE OPERATION—REASON FOR DELAY IN INFORMING PRIME MINISTER OF ALLEGED BRIBERY ATTEMPT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister, who indicated to the House that he first learned about possible difficulties connected with Hamilton Harbour following the election of 1972, but that he knew nothing about alleged bribery attempts connected with the *Irving Whale* salvage operation until recently, perhaps not until after he returned from his recent European trip. Has the Prime Minister inquired why he was not informed about the *Irving Whale* incident when he discussed the Hamilton Harbour incident with the appropriate minister, particularly as the inquiry into the *Irving Whale* incident resulted from initiatives taken by Mr. Michael Pitfield.

Mr. Trudeau: What were the hon. member's last words? By whom were the initiatives taken?

Mr. Stanfield: By Mr. Michael Pitfield, by way of letter to the Deputy Minister of Transport.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it appears that Mr. Pitfield acted on my assumed authority, and quite properly so. There is a standing instruction in my office that if there is some allegation of wrongdoing which can be properly referred to the police, it is to be referred in that way. That is exactly what Mr. Pitfield did. I am pleased with the role the Privy Council office played in that matter.

Mr. Stanfield: Mr. Speaker, I wonder if the Prime Minister would direct his attention to the question I asked. Why was he not informed of alleged misconduct to do with the *Irving Whale* incident when he discussed with the appropriate minister the Hamilton Harbour incident, in view of the similarity of patterns.

Mr. Trudeau: Mr. Speaker, they were two completely unrelated questions. In one case, the proceedings, through the police, had gone very well and some people had been brought to trial. In the other case, as I understand the facts of it, the first allegations made by Mr. Kerr were proceeded upon when they were put in writing and the government of Nova Scotia decided there was no ground for taking the matter to court. I expect that the matter rested there at that point and there was no need to inform me about something that had been resolved.

Mr. Stanfield: With respect, Mr. Speaker, I wish to remind the Prime Minister that the *Irving Whale* case was not resolved until many months after the Prime Minister was first informed of the Hamilton Harbour charges. As far as we know, the government of Nova Scotia did not decide not to prosecute until many months after. In other words, the *Irving Whale* case was still current at that time. Why was the Prime Minister not informed of this investi-

gation and the charges? I also wish to ask the Prime Minister whether it is usual, within his government, for officials to ignore a charge of bribery made by a lawyer of the distinction of Mr. Donald Kerr of Halifax until after a letter is received from someone in the government service at the level of Mr. Pitfield.

Mr. Trudeau: Mr. Speaker, it is not fair to say that the matter brought up by Mr. Kerr was ignored. It is quite apparent from the record that he made some allegations verbally, as he said, when he was mad. At that point the officials asked him to put the allegations in writing. Some weeks or a month or so later, I believe he proceeded to put the allegations in writing. The government acted upon those allegations. Investigation was followed through by the RCMP. Whatever evidence they gathered was given to the attorney general of Nova Scotia. At that point it was no longer in the hands of the federal government. There was no need to inform me of something which had been proceeded with routinely and had proceeded well. In Mr. Kerr's own words, his assessment is as follows: "I have no fault to find whatsoever with the higher echelon of the government in the way they handled this case. There was no suggestion of foot dragging or cover up. They reacted in a very smart and fast way. In fact, they reacted admirably."

Some hon. Members: Hear, hear!

ALLEGED BID-RIGGING BY SALVAGE AND DREDGING COMPANIES—GOVERNMENT VIEW OF NEED FOR PUBLIC INQUIRY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Prime Minister. Since there seems to be a pattern of delay—

Some hon. Members: Oh, oh!

Mr. McGrath: I am talking about the delay in both investigations. According to the RCMP report, there is an identical pattern of bid-rigging in both the salvaging and dredging industries. Since the Auditor General has reported irregularities in dredging bids since 1963, in light of this evidence does the Prime Minister not agree that the public interest will be best served by a public inquiry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would ask the hon. member if he would not agree that in every case which was brought to the government's attention and knowledge, it acted admirably, to quote the gentleman who made the allegations.

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THE CANADIAN ECONOMY

SUGGESTED GUIDELINES FOR COMPANIES ELIGIBLE FOR FEDERAL CONTRACTS—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In light of the government's attempts to get the support of organized labour in dealing with the dual problem of inflation and unemployment now facing this country, is the Prime Minister prepared to indicate that the government will demonstrate its good faith toward labour by establishing a set of guidelines for companies in Canada which the government would expect the companies to follow if they are to be eligible for contracts with the federal government?

[Mr. Stanfield.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the leader of the New Democratic Party knows the process which is going on now. This has involved consultations between the government and various sectors of the economy. He knows that this matter will be discussed at the federal-provincial conference to be held in a few weeks time. I will tell the hon. member that at this stage the process of seeking consensus would not be advanced by the government unilaterally making any announcement of the kind he suggests.

* * *

● (1430)

INDUSTRY

UNITED AIRCRAFT—REASON FOR GOVERNMENT ENTERING INTO NEW CONTRACTS IN VIEW OF STRIKE SITUATION

Mr. Edward Broadbent (Oshawa-Whitby): I would, then, refer to a specific instance and direct a question to the Minister of Public Works. In view of the bad reputation of the United Aircraft Corporation in Longueuil, Quebec, among its employees and having regard to the substantial federal grants made to this company, can the minister explain why in the course of the vicious strike which has been in progress during the last 14 months or so the government has entered into new agreements with that company? I should like the minister in particular to explain to the House the statement he made to representatives of the Canadian Labour Congress this morning to the effect that the government entered into these new contracts by virtue of prior agreements, especially in the light of the fact that the company itself, in explaining the recent contracts, made no such statement.

Hon. C. M. Drury (Minister of Public Works): Let me first correct the hon. gentleman's understanding of what I said this morning. This morning, in response to representations by the President of the Canadian Labour Congress, I explained that payments which had been made to United Aircraft arose from contractual arrangements which had been entered into before the start of the strike. There was no question, in the information I gave, of payments being made to United Aircraft in respect of contracts entered into subsequent to the start of the strike.

Mr. Broadbent: Then I should like to ask the minister if he would explain why the government entered into new contracts, as it has done during the period of the strike, with a company which has transferred a large part of its production from Canada to the United States during the last 14 months in violation of at least the ethics of its agreement, bearing in mind that the same company has refused to accept the Rand formula which has been accepted by the vast majority of good corporate citizens throughout the country?

Mr. Drury: I would not presume to offer a view as to the principles of the industrial relations which should exist between this corporation and its employees; it is a matter which falls under provincial jurisdiction. The federal government has done its best not to interfere with this process. We have been hopeful, however, almost from week to week, that the parties, with the assistance of the government of Quebec, could come to an agreement and that normal business, if I could put it that way, could be resumed. This hope has not been realized as yet but we are still hopeful that normal operations will be resumed, and resumed shortly. In anticipation, we have been holding discussions looking to the future and to future development work, given the long lead-time which is required in these matters. I am told—and this is not first hand knowledge; this does not concern my department—that the production which for some period was exported to the United States has now been brought back to Canada, and that current output in the Montreal plant has reached its previous level.

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[*Translation*]

HOUSING

AVAILABILITY OF $500 GRANT WHEN MORTGAGE MONEY FROM PRIVATE SOURCES—MINISTER'S POSITION

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

Because the $500 grant to first-time buyers of a house offered from November 1, 1974 on has stirred considerable interest, could the minister tell the House whether the fact that a buyer has borrowed from an individual instead of a credit union, a bank or even the Central Mortgage and Housing Corporation makes him ineligible for this grant?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): I do not think the fact that a person has acquired a loan should deprive him of an opportunity; it is when he takes possession of the home that matters in terms of whether he is eligible for a grant.

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TRANSPORT

DREDGING CONTRACTS—POSSIBILITY OF CONSULTATION WITH MINISTER OF JUSTICE IN 1971 CONCERNING DREE GRANT TO MARINE INDUSTRIES LTD.

Mr. Elmer M. MacKay (Central Nova): I have a question for the Minister of Transport, Mr. Speaker. I should like to ask the hon. gentleman again whether he consulted the Minister of Justice about certain aspects of the dredging industry in 1971, not, as he was so quick to assume, in his capacity as Minister of Transport but rather with specific reference to DREE grants at that time such as the one for $193,860 to Marine Industries, some of which, incidentally, is still to be paid. Can the minister tell us whether he was sufficiently concerned as a minister at that time, as the minister responsible for DREE and as a member of the cabinet, to consult the Minister of Justice on certain aspects of dredging?

Hon. Jean Marchand (Minister of Transport): All those consultations were made by the department at that time. I did not personally inquire.

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AGRICULTURE

POTATOES—DATE OF GOVERNMENT ACTION TO AID PRODUCERS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Agriculture. Now that Loblaws, the national food chain, has advertized in two full page ads in the last two weeks the fact that Prince Edward Island potatoes are selling at about one quarter the price of last year, reflecting a disastrous situation for the producers in that province, I am wondering when the minister intends to take action, bearing in mind the numerous meetings which have taken place between the hon. gentleman and his officials with regard to this situation in the last few weeks and the desperate need for the provision of interim assistance in order that there may be any kind of viable industry this year.

Hon. E. F. Whelan (Minister of Agriculture): As I said last week, Mr. Speaker, we have made several offers to the provincial ministers of agriculture of both Prince Edward Island and New Brunswick. Just this morning I received a call in my office; the ministers are returning to Ottawa late this evening to discuss what action we feel we can work out together to aid these producers and in what manner we shall proceed.

Mr. MacDonald (Egmont): Can the minister tell us, since the nature of the proposal has not been made public, whether there is a proposal for interim assistance, which is urgent now, as well as a proposal that some action be taken with respect to marketing generally? There is a clear indication in the Loblaws advertisements that the price differential as between this year and last year is greater with respect to Prince Edward Island potatoes than for potatoes from anywhere else in the country.

Mr. Whelan: It is safe to say there have been discussions as to what should be done at the present time, to what extent we should aid the potato producers, the degree to which assistance should be retroactive—if it should be retroactive—and the kind of program we should develop, working together with respect to potato marketing in the coming crop year.

Mr. MacDonald (Egmont): Since the House will, presumably, be adjourning this week and will not be resuming until well into April, and since the farmers will have to acquire fertilizers and other necessary materials in preparation for this year's planting, will the minister make a statement before the House adjourns indicating what action the government is prepared to take?

Mr. Whelan: In some manner we shall let these people know what action is to be taken.

Oral Questions

POTATOES—POSSIBLE PROVINCIAL CONTRIBUTION TO PROGRAM TO AID PRODUCERS

Mr. Fred McCain (Carleton-Charlotte): Is it the intention of the government to make the entire payment or will the provinces be asked to contribute a portion of the costs of any program which may be inaugurated?

Hon. E. F. Whelan (Minister of Agriculture): We have discussed several ways of finding a proper system to aid these people in the plight in which they now find themselves where they are getting less than cost out of their production because they over-produced by approximately 15 per cent. This has affected the sales of all the potatoes marketed, especially in eastern Canada. It is not altogether easy to say we are going to do one thing or another; we have difficulty in working out a proper program, one which will be satisfactory to them all.

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CONSUMER AFFAIRS

CLOTHING AND FOOTWEAR—DATE OF REPORT OF EFFECT ON PRICES OF REMOVAL OF SALES TAX

Mr. Bruce Halliday (Oxford): Thank you, Mr. Speaker. I have a question for the Minister of Consumer and Corporate Affairs. Is the minister now in a position to release to the House the report on monitoring of the effect on retail prices of the elimination of the sales tax on clothing and footwear which he has had in his possession for several weeks?

● (1440)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not have it officially. I know it is to be translated in order that it may be tabled in the two official languages. I hope to do so, at the latest the day after tomorrow.

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[*English*]

EXTERNAL AFFAIRS

FAILURE OF ISRAEL AND EGYPT TO AGREE ON PEACE TERMS—POSSIBLE WITHDRAWAL OF CANADIAN CONTINGENT FROM UN TRUCE OBSERVANCE FORCE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In light of Mr. Kissinger's recent failure to secure an agreement between Israel and Egypt, does the minister plan to recommend to his colleague the Minister of National Defence that Canadian troops serving in that area be withdrawn?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, no such recommendation would be undertaken without the full consultation and the advice of the Secretary General of the United Nations.

[Mr. Whelan.]

NATIONAL DEFENCE

INQUIRY AS TO CONTINGENCY PLANS FOR WITHDRAWAL OF CANADIAN CONTINGENT FROM MIDDLE EAST TRUCE OBSERVANCE FORCE

Mr. Donald W. Munro (Esquimalt-Saanich): A supplementary question. I should like to ask the Minister of National Defence whether the Canadian government has contingency plans for withdrawal when circumstances warrant?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker.

ADEQUACY FOR DEFENCE PURPOSES OF ARMS USED BY CANADIAN CONTINGENT IN UN TRUCE OBSERVANCE FORCE

Mr. Donald W. Munro (Esquimalt-Saanich): A final supplementary question, Mr. Speaker. May I also ask the Minister of National Defence whether Canadian troops in the Middle East are adequately armed to defend themselves in case hostilities do break out, and do their current instructions authorize the use of their arms for this purpose, with or without the specific declaration of an emergency by the UN commander?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the forces that we have in the Middle East and Cyprus have personal arms, sidearms, but they are not armed to defend themselves against an invading army or armed force. That is not the intention of their being there. They would have to evacuate and leave the area if hostilities broke out.

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CANADIAN WHEAT BOARD ACT

SUGGESTED AMENDMENT TO ALLOW GOVERNMENT TO PAY DEMURRAGE INCURRED AS RESULT OF STRIKE

Mr. Jim Balfour (Regina East): Mr. Speaker, I have a question for the minister responsible for the Wheat Board. In view of the fact that demurrage costs amounting to several million dollars have been imposed on grain producers as a result of strikes in the last two years, will the minister take under serious consideration immediate amendment to the Canadian Wheat Board Act to allow the federal government to underwrite all such demurrage in order to relieve grain producers of the full burden of these costs, incurred through no fault of their own?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that is by no means a new representation. The government's position, of course, has been that it would be very very difficult indeed to single out one particular person or persons from others who suffer damages as a result of strikes. It is the nature of strikes that it is difficult to tell the extent of the damage, and the government would be in an impossible position if it attempted to assess such damage.

NATIONAL DEFENCE

DDH-280 CONTRACT—POSSIBILITY INFORMATION SENT TO SUPPLY AND SERVICES LEADING TO INVESTIGATION OF CONTRACT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to put a question to the Minister of National Defence, and I do so in the sense that I should have liked to direct it to the Minister of Supply and Services. It is somewhat further to what I asked earlier last week respecting alleged irregularities and investigations into the DDH-280 contract. Would the minister now indicate to the House whether he or any of his departmental officials in the Department of National Defence were aware of the transmission to the Department of Supply and Services of certain information that would have caused the Department of Supply and Services to carry out further investigations regarding contracts or sub-contracts in connection with the DDH-280 construction project?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I answered that question last week in the negative. Further studies have been undertaken in the department since that time and my answer would still be the same. There was no information passed by the Department of National Defence to the Department of Supply and Services which would have led to further investigative action of the kind suggested by the hon. member.

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HEALTH

MERCURY POISONING OF NATIVES AT WHITE DOG AND GRASSY NARROWS RESERVES—DATE OF PUBLICATION OF REPORT—POSSIBLE CONSULTATIONS CONCERNING REED PAPER COMPANY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It concerns his responsibility for the health of native Indians in Canada. Would the minister advise the House why it is that a report concerning mercury poisoning prepared by his department as related to the Grassy Narrows and White Dog reserves was not to be released for a year and a half until Japanese scientists investigated the situation and forced release of that report?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Once more, the hon. member is at least partially wrong. The information in the report mentioned by the hon. member is contained in the papers already tabled in the House or made public. There has not been any delay in making public the available information.

[*English*]

Mr. Leggatt: Mr. Speaker, I have a supplementary question for the minister. The Reed Paper Company is the owner of the Dryden mill which is alleged to be polluting the English River system and thus affecting the natives in the area. Was the minister's department consulted by the Foreign Investment Review Board, which recently approved the Reed Paper Company's takeover, and would he advise whether good corporate citizenship is one of the criteria that is being applied by the Foreign Investment Review Board?

[*Translation*]

Mr. Lalonde: As far as I know, Mr. Speaker, no consultation had taken place.

[*English*]

Mr. Leggatt: Mr. Speaker, I have a final supplementary question which I will address to the Minister of Indian Affairs and Northern Development. Would the minister advise the House whether we are to continue to have Swedish and Japanese scientists called in to protect the health of our native Indian population?

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NATIONAL PARKS

RIDEAU-TRENT CANALS—AUTHORIZATION OF TOLLS—ESTIMATE OF REVENUE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and arises out of recent action taken by his department which would adversely affect our tourist industry in central and eastern Ontario. Did the minister authorize the recent charges of lock tolls and other fees to be levied on those using the Rideau-Trent canal systems, as recently announced by the bureaucracy, and if so, why?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, I did authorize the charges, the reason being to endeavour to get a relatively modest increase in the amount of revenue from the canals. The revenue still represents somewhat less than 15 per cent of the cost of operation.

Mr. Alkenbrack: A supplementary question, Mr. Speaker. Since 1975-76 estimates for levies on general taxpayers should be duly adjusted downwards, was allowance made for this in those estimates?

Mr. Buchanan: Mr. Speaker, as I explained in reply to a question from the hon. member for Hillsborough the other day, the department has recently announced a five year capital program amounting to approximately $400 million. Part of the undertaking was that we would endeavour to secure some additional revenue from the operation of historical sites and national parks.

Mr. Alkenbrack: A final supplementary question, Mr. Speaker. How much revenue has the minister estimated for 1976 from users of the systems?

Mr. Buchanan: Mr. Speaker, in 1975-76 $11.6 million from the total operation.

Oral Questions

TRANSPORT

POSSIBILITY OF REMOVING THE SUNKEN "IRVING WHALE"—GOVERNMENT POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of Transport. In the light—or perhaps I should say the darkness—of doubts and anxieties concerning the tenders for the raising of the *Irving Whale* and the possibility of inflated bids, can the minister advise whether he plans to make a serious reassessment of the situation with a view to seeking new and hopefully more realistic estimates, if necessary from abroad, for removing this continued threat to the Atlantic environment, and thereby achieve a real clean-up?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the Prime Minister gave a very clear answer a few minutes ago.

[*Later:*]

I rise on a point of order, Mr. Speaker. I think I misunderstood the question put to me. The problem of lifting the *Irving Whale* is still a technical problem and we are not sure that this is the solution. There is a real danger if we tried it that a spill would take place. This is the only reason we are not doing it.

Mr. Macquarrie: Mr. Speaker, may I ask the minister whether he has any assurance that if he leaves the ship there there will not be a spill take place that would endanger our environment.

Mr. Marchand (Langelier): Mr. Speaker, we have on that matter made all the inquiries that could be made by a government. We asked all the experts and were told everywhere that it would be much more dangerous to try to surface the ship than to leave her there. I think if the hon. member has better technical advice I would be ready to take it but I am not ready to take the risk. This is the only problem. We even sent experts to Europe to find out what kind of danger this constituted and they were told it was very very dangerous and probably the safest thing to do would be to leave her lie.

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CANADIAN BROADCASTING CORPORATION

EFFECT OF ALLEGED OVERSPENDING BY NEWS AND PUBLIC AFFAIRS DIVISION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is directed to the Secretary of State. Can the minister confirm that the capacity of the CBC to report important Canadian news and public affairs during the rest of this fiscal year will be substantially hampered because the news and public affairs division has already overspent its annual operating budget by following priorities, which included spending $20,000 last fall to send a free-lance reporter to Cambodia to search, without any success, for the son of Errol Flynn?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I shall have to take that question as notice.

[Mr. Buchanan.]

● (1450)

PUBLIC WORKS

DELAY IN DEMOLITION OF BUILDINGS AT CHURCHILL—SUGGESTION MONEY ALLOCATED SHOULD BE SPENT TO UPGRADE OTHER FACILITIES

Mr. Cecil Smith (Churchill): Mr. Speaker, I have a question for the Minister of Public Works. Since there has been an announcement that the demolition of the buildings at Churchill at a cost of some $600,000 will not take place this year can the minister advise whether the $600,000 will be spent to further upgrade the facilities at Churchill?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I am afraid I cannot give any assurance.

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CANADIAN BROADCASTING CORPORATION

SUGGESTION STANDING COMMITTEE QUESTION MR. JOHNSON PRIOR TO CONFIRMATION AS VICE-PRESIDENT

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a question for the Secretary of State which is supplementary to my earlier question. I should like to ask the minister whether, in order that Parliament may have some confidence that there will be better regulation of spending within the CBC, he is now prepared to accept my suggestion that the Standing Committee on Broadcasting, Films and Assistance to the Arts, have the opportunity to question Mr. A. W. Johnson prior to the government's confirmation of his appointment as the new executive vice-president of the CBC?

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker. I suggest that the hon. member question the present president before the committee.

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EXTERNAL AFFAIRS

REASON MINISTER FELT COMPELLED TO STATE CANADIAN ACTIONS NOT ANTI-AMERICAN

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Secretary of State for External Affairs. Could the minister explain why he and the Canadian ambassador to Washington feel so strongly compelled to protest the report that in recent actions Canada was anti-American, especially in view of the minister's speech in Winnipeg in which he suggested that no special relationship now exists between the two countries.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Well, Mr. Speaker, I did not feel I had protested anything that was contradictory to or in clarification of the Winnipeg speech.

[*Translation*]

ENERGY

CONSULTATION WITH QUEBEC ON ESTABLISHMENT OF ENRICHED URANIUM PLANT

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

Would the minister say to the House whether the Quebec government has officially requested the co-operation of the federal government to develop an operational plan for an enriched uranium plant in the province and, if so, what has been his answer or his terms?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we had some talks with Quebec officials concerning the studies on the establishment of such a plant, but there is no request for the support of the federal government on that aspect of research on uranium in Quebec. We are expecting the results of such a study to consider the opportunity of complying with such a request, but for the moment, there is none.

* * *

[*English*]

AGRICULTURE

GOVERNMENT VIEW OF PRODUCTION TARGETS—POSSIBILITY OF PENALTIES FOR FAILURE TO COMPLY WITH REDUCTIONS PROPOSED BY CEMA

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that there is now a surplus of beef, eggs and potatoes in Canada, and in view of the fact that it was just two years ago the minister was asking all producers "to produce to beat the band", I wonder whether the minister intends to follow the policy of two years ago or to bring in a new one?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the hon. member would check what I said he will find that when I was talking about producing to beat the band, I was talking about cereal grains and similar crops. When the hon. member talks about beef, he knows we are not in a surplus position in Canada, but are still affected by the world supply and world trade agreements which we have. In respect of potatoes, we are talking about perishable crops and I have never told any producer of perishable products to produce to beat the band, but rather to produce for the markets so they would have some hope of selling their products.

Mr. Towers: I have a supplementary, Mr. Speaker. In view of the fact that the minister stated there must be compliance with the reduction proposed by CEMA, is it the intention of the minister to penalize these people if they do not comply?

Mr. Whelan: Mr. Speaker, it was agreed by the vast majority of the provincial premiers who were here last week that if producers did not adhere to the new suggestions a penalty program would be initiated.

ENERGY

COAL—CONSULTATION WITH BRITISH COLUMBIA ON PROPOSED DEVELOPMENT OF DEPOSITS ON FEDERAL LAND IN SOUTHEAST KOOTENAY

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Has the minister arranged to meet with the Minister of Mines from British Columbia in order to discuss questions arising out of proposals to develop coal deposits on federally-owned blocks of land in the southeast Kootenay area of British Columbia?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not have a date at the moment, although there have been exchanges between my officials and the officials of the British Columbia minister with regard to development of the federal property.

COAL—POSSIBILITY OF COMMENCEMENT OF WORK IN SOUTHEAST KOOTENAY PREPARATORY TO ESTABLISHING INVENTORY OF RESOURCE

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, has the federal government commenced work in the area preparatory to establishing an inventory of coal resources in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, work has not commenced. There has been a financial appropriation for this purpose. Naturally any development we do in there we seek to do in co-operation with the neighbouring land holders and of course the government of British Columbia.

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AGRICULTURE

INDUSTRIAL MILK—DATE OF ANNOUNCEMENT OF NEW SUPPORT PRICE

Mr. J. R. Ellis (Hastings): Mr. Speaker, I should like to return to my question to the Minister of Agriculture which I started last week. At that time the minister gave me a very flippant answer. I want to know whether or not the minister intends to announce the new subsidy for milk prior to the deadline date a week from tomorrow. Will he announce it when the House is in session.

Hon. E. F. Whelan (Minister of Agriculture): If at all possible, Mr. Speaker.

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IMMIGRATION

ACCEPTABILITY OF ALLEGED BEHAVIOUR OF TED PATRICK—REQUEST FOR REPORT ON POSSIBLE CRIMINAL RECORD IN THE UNITED STATES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Last Thursday the minister took as notice a question I asked regarding the activities

of an American, Ted Patrick, who was in Canada, particularly as it relates to the case of Miss Debbie Dudgeon of Orangeville, Ontario. I understand the minister has an answer to the question now.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not have full details of his entry into Canada, but I can assure the hon. member and the House that my information is that he is no longer in Canada and has returned to Los Angeles. Furthermore, our ports of entry people have been alerted to any possibility of his re-entry and if he should attempt to do so appropriate action will be taken.

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CANADIAN PACIFIC RAILWAY

GOVERNMENT ACTION TO PREVENT LAY-OFFS OR FIND ALTERNATIVE EMPLOYMENT FOR THOSE AFFECTED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Minister of Transport or to the Minister of Labour. In view of substantial lay-offs of railway shop employees announced by CP Rail affecting Winnipeg, Toronto, Montreal, Vancouver and a number of other centres, is the government taking any steps to try to prevent these lay-offs or to find alternative employment for those affected?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, there have been no suggested alternatives that I am aware of so far as any initiative on the part of the Department of Labour is concerned, but I would think that action along this line would more appropriately fall within the jurisdiction of my colleague the Minister of Manpower and Immigration.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, does the Minister of Manpower and Immigration have anything to add?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, Mr. Speaker. I should like the hon. member to repeat the question.

Mr. Knowles (Winnipeg North Centre): The minister gets marks for his honesty. My question had to do with announced layoffs of railway shop workers by CP Rail. In case these layoffs cannot be prevented, is the government taking any steps to help these employees find alternative employment?

● (1500)

Mr. Andras: Mr. Speaker, the manpower adjustment service officials of the department will be discussing these matters with the railway and the unions involved to offer them all possible services exactly along the lines suggested by the hon. member.

[Mr. Beatty.]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—PROPOSED CONTROL OF GRANTS ON A CONSTITUENCY BASIS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Given the fact that the consideration and granting of OFY grants through the use of management area advisory groups is suffering from a lack of information, advice, control, and any indication of managerial competence on the part of his department, is the minister giving consideration to allotment and control of OFY grants on a local constituency basis where the advisory group would at least have some knowledge of the projects being considered?

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think that the informal comments and the reception given the hon. member's suggestion indicate some of the difficulties we face in administering this program.

The basic problem, as I have told many hon. members, is that we do not have the sound statistical base in such detail as to be usable for OFY allocations at the constituency level because we are dealing with a much smaller and special segment of the population and of the unemployed as compared with the broad sector with which we deal in connection with Local Initiatives Program. From that stems the problem of having to make allocations in a broader geographical area, such as labour management areas where the consultation process takes place. Also, it was a choice between giving hon. members the opportunity to name people with whom we would consult or to arbitrarily, as in the past, have the people with whom to consult in the community selected by the departmental staff. This was the compromise that had to be made, but we will do our best to satisfy the local communities.

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NATIONAL HARBOURS BOARD

DATE OF TABLING OF SCOTT REPORT

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of Transport. Could he advise the House when he will be tabling and making available the Scott report on the National Harbours Board organization?

Hon. Jean Marchand (Minister of Transport): As soon as the cabinet has taken a decision on the report.

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HISTORIC SITES

REASON FOR CHARGING ENTRANCE FEE TO LOWER FORT GARRY

Mr. Dean Whiteway (Selkirk): My question is for the Minister of Indian Affairs and Northern Development. It relates to the matter brought up by my friend, the hon.

member for Winnipeg North Centre, regarding fees to be charged at the entrance to lower Fort Garry set at $2 per person and a maximum of $5 per family. Can the minister inform the House as to the causes and reasons for the imposition of such a fee structure at lower Fort Garry?

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NATIONAL DEFENCE

ROYAL MILITARY COLLEGE—REASON FOR CONVERTING TO BILINGUAL INSTITUTION

Mr. Tom Cossitt (Leeds): My question is directed to the Minister of National Defence. Considering that the Royal Commission on Bilingualism and Biculturalism recommended that the Royal Military College continue as an English speaking institution, could the minister tell the House the reason the government has decided to spend $5 million and hire 54 teachers to teach in the French language and to convert this into a bilingual institution?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, it is the government's policy that our military colleges should be bilingual. Our college at Saint Jean is fully bilingual and RMC is in the process of adopting a bilingual program.

Mr. Cossitt: Mr. Speaker, in view of the Minister's comments on the subject of bilingualism as reported in *Maclean's* magazine, would he advise the House whether he is reviewing this decision?

Mr. Speaker: Order, please.

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HOUSING

REQUEST FOR CONSIDERATION OF EXTRA COST OF RURAL HOUSING COMPARED WITH URBAN IN APPLICATION OF $500 GRANT

Mr. Arnold Malone (Battle River): My question is for the Minister of State for Urban Affairs. Is there any regulation to eliminate the discrimination whereby a housing grant of $500 is granted to purchasers of urban and rural houses, the discrimination arising as a result of the fact that purchasers of rural houses have to consider additional costs of installation of sewers, water wells, electricity and so forth, thereby raising the cost of their houses by about $10,000 in comparison with urban houses. Has that matter been reconsidered?

Hon. Barney Danson (Minister of State for Urban Affairs): I believe that is taken into consideration in the valuation. There is a difference, but the urban homes are usually much more expensive for other reasons. In balance, we try to reach a valuation that applies practically in the area where that ceiling limit is in place.

GOVERNMENT ORDERS

[*English*]

CANADA BUSINESS CORPORATIONS ACT

MEASURE TO PROVIDE FOR APPOINTMENT OF DIRECTOR, DEPUTY DIRECTOR AND FOR ADMINISTRATION OF MEASURE—CONCURRENCE IN SENATE AMENDMENTS

Mr. Speaker: The Minister of Consumer and Corporate Affairs (Mr. Ouellet) moves that amendments made by the Senate to Bill C-29, respecting Canadian business corporations, be now read the second time and concurred in. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it may have been decided that there is agreement with the proposal that has been put, but may I point out, with the greatest respect, that there was such a hubbub in the House that Your Honour's voice was completely drowned out and there was no way of hearing what you were saying unless one had the earpiece on. I regret that I did not have mine on. My colleagues tell me that they also could not hear Your Honour, and we do not know what you actually said.

Mr. Speaker: The motion that was read was as follows: The Minister of Consumer and Corporate Affairs (Mr. Ouellet) moves that amendments made by the Senate to Bill C-29, respecting Canadian business corporations, be now read the second time and concurred in. Is it the pleasure of the House to adopt the said motion?

Mr. Lambert (Edmonton West): No, Mr. Speaker. The reason I want to make some comments on this matter is that the House is faced with 27 amendments as they appear in *Votes and Proceedings* and in my view one should note that they were made and accepted in the other place. Bill C-29 was debated at some length on second reading in the House. It had extensive hearings and discussions in the Standing Committee on Justice and Legal Affairs and was reported back to the House.

Unfortunately, the report stage and third reading were galloped through the House as the result of a last minute change in the order of business. As I recall, this business had been scheduled for a Monday afternoon in the latter part of January. The committee, of which I am a member, was making a trip to Washington at the time so the business of the House was changed. Bill C-29 was then hurriedly brought in on a Monday afternoon, on which day my colleague the hon. member for York-Simcoe (Mr. Stevens) was not present—he had piloted the bill through committee—so the bill was passed in a great hurry, without any debate. The penalty comes now, and I must say to those who feel the Senate has no place that this is a clear indication that there is nothing quite so foolish or tyrannical as an intemperate majority, and any highly technical and voluminous bill of this kind requires a second look. Thank goodness our colleagues in the other place gave it that second look, because the bill is now much more workable.

● (1510)

Hon. members opposite, frankly, may not have even cracked the covers of this bill. They do not know about the absolute liabilities which are imposed, with absolute penalties for even innocent acts on the part of directors of corporations. Where the act imposed absolute liability, certainly events took, place. Of course, it was readily apparent to anyone who had any idea of corporate law that the penalties were far too strigent, so the appropriate amendments have been put in. I think they are amendments which all reasonable men would accept. Now the penalties will come into play if a person commits an act without reasonable cause. I invite hon. members to look at the series of amendments wherein time and time again the phrase "without reasonable cause" is repeated. We will have an act which is much more flexible. After all, corporate law is the framework within which a great deal of the economic activity in the country must be carried on. It cannot be made so stringent, so rigid and so bureaucratically hounded that corporations will not come to register and operate under the federal act.

This act is in competition with ten provincial acts, and it need not be said that a corporation has to incorporate under the federal Corporations Act in order to carry on business in any or all parts of Canada. Many provincial acts are very eminent and sensible pieces of legislation; they impose the appropriate degree of control to ensure that there is no dishonesty and that there is the required disclosure where necessary but not unnecessary disclosure.

There are many things required under this act in respect of which, as I told the predecessor of the present minister some years ago, neither the director of corporate affairs nor the minister himself were competent to collate the information obtained or even to interpret it. I remember the hosannas of some starry-eyed new members of this House who thought the bill was going to be the salvation of Canadian business and that this was to be a new charter. I am going back a few years. The funniest thing was that they did not know what they were trying to do, and when they tried to get the information they did not know how to interpret it.

There were a few woolly-minded academics who thought they might be able to get the information, but the act did not provide any means for collecting it; no one had the authority to collate it. Certainly the returns were there, as they are under the act as now amended. They may be examined for a fee, but who will go through the register of all the corporate files to collate this information? The director has not the authority, nor has the minister.

I would say that a good deal of what is alleged to be done under this act—that is, the justification for the reporting and the filing of returns—is empty window-dressing because it is done for no useful purpose. If I am interested in a competitor, I can send my solicitor or his clerk to have a look at the file and bring me the information. I can do that with regard to a number of competitors, whether federal or provincial, by having the appropriate searches made; but I cannot review the industry. I suppose I can, if I want to pay the money and if I know what to do with the information I obtain.

Years ago this was just empty window-dressing, and it still is, but the more rigid the requirements under the Canada Corporations Act, the fewer registrations there will be. This act is not a replacement for a national securities commission act. Somehow, in the bureaucracy of the minister's department, there is the idea that under this act the director of corporations can somehow carry out the role, in some unknown fashion, of the chairman of the Securities Commission of the province of Ontario or its counterparts in the other provinces of Canada. Somehow that idea has gotten abroad, but it is patent nonsense. There is no way this can be done, and I warn the minister or his parliamentary secretary who may be piloting this legislation that the more difficult this act is made, the fewer registrations will take place under it.

One does not have to register under the Canada Corporations Act in any way. I suppose it might be said that for some companies this would have to be done. I suppose if we wanted to start a new bank we would proceed under the letters patent provisions of this act rather than go through the gethsemane of having a private bill passed through parliament, the same as with a pipeline company—that is, an interprovincial pipeline company. Those are the only companies which perforce must come under this act, but an ordinary trading or manufacturing corporation can, frankly, cock a snoot at the director of Canadian corporations or the Minister of Consumer and Corporate Affairs.

Mr. MacKay: They do now.

Mr. Lambert (Edmonton West): As my colleague from Nova Scotia says, they do now, because provincial acts are more flexible and better for corporate activities: all that is required under the corporate act of a province is registration of incorporation, then an application for registry as a foreign company or extraprovincial company in another jurisdiction and one is in business without the nuisance of the Canada Corporations Act. I suggest—I have suggested this time and time again to the minister—that if he had wanted to do something really worth while for the benefit of the Canadian economy and the benefit of Canadian business, he should have those changes in the Canada Corporations Act which would have allowed corporations effectively to work and desire to be incorporated.

I do not know the percentage of Canadian companies operating under the federal act, but I venture to say that it is much less than 20 per cent of the total. It used to be something less. If it is more, it might be 21 per cent. That is wrong, Mr. Speaker; the reverse should apply. It seems to me that the nature of business in Canada today is that 50 per cent or 60 per cent of corporations and businesses could operate under a federal charter. It is easy to put "Ltd." behind a name. That can mean two truck drivers with two or three trucks, or a couple of plasterers. It does not have to be a huge multinational that operates as a corporation, yet an awful lot of nonsense is written about corporations and a good deal more is said about them.

● (1520)

I say to the government House leader that we will agree to these amendments having second reading as they are an improvement to the bill. I find it strange, however, that

the minister would schedule the bill for debate today when the record of proceedings in the other place, where these amendments were discussed, has not been published: the good and valuable work that was done by the hon. Senators who proposed the amendments, and the replies of the minister and his officers, are not available to us. For the government House leader to bring in the bill under these circumstances is sloppy practice. My colleagues and I would have appreciated the courtesy of a few hours to peruse the reasons for the amendments and the contribution of the minister. I do not want to carp on this, but it is part of what we should consider to be the intelligent operation of this House. I think the government House leader and his colleagues have blotted their copybook this afternoon.

Notwithstanding that, Mr. Speaker, having studied these amendments in detail I must say they are acceptable to the official opposition and I hope we can give them second reading. They are an improvement to the bill.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I only want to make a couple of brief comments in response to the statements of the hon. member for Edmonton West (Mr. Lambert) with respect to rushing Bill C-29 through report stage and third reading in this chamber. I know the hon. member realizes that report stage is not subject to debate unless an amendment has been filed, which was not the case here. It is not the responsibility of the government to file amendments to its own legislation at report stage. As far as third reading is concerned, there was the opportunity for members to debate the bill at that time. Some hon. members may feel aggrieved by the length of notice given, but the action was completely in accordance with the rules and I believe was taken after discussion among all House leaders. I think the hon. member was not in the chamber at that time, for good and legitimate reasons, but his point is valid.

The fact is, Mr. Speaker, that the amendments put forward in the other place are good, useful and worth-while. I believe they are a further indication of the kind of concern that the Department of Consumer and Corporate Affairs has brought to the consideration of Bill C-29 in response to representations made in this House and in the committee of the other place. As the hon. member for Edmonton West pointed out, this clearly proves that the Senate has a valuable role to play in terms of having a second look at legislation. The government has no objection whatsoever to the amendments put forward by that body.

In response to the more substantive point made by the hon. member for Edmonton West regarding these specific amendments, I should like to deal with that as quickly as I can. Knowing that the bill has been in the public domain for a long time, the Senate committee worked hard and diligently to consider it in as short a time as possible. There was an extremely broad basis of agreement in the business community, and I think in this House, that it was fundamentally a good bill. The Senate analysed the bill very thoroughly and scrutinized the central issues carefully. They asked good questions and suggested amendments only in respect of provisions they felt strongly about, and they gave full reasons for the amendments they put forward. On the whole, the appearance before them was a pleasant and rewarding experience.

The Senate committee clearly approved the central goals of the bill, that is, to rid the law of useless formalities, to simplify administration, to clarify the substantive rules of corporation law and, in general, to achieve a fair balance between management and shareholders that gives managers broad powers but that, at the same time, furnishes remedies to shareholders in order to enable them to check any management abuses.

The specific amendments made by the Senate fall into three broad categories: first, changes of wording to clarify a technical error or ambiguity; second, substantive changes concerning close corporations, resident Canadian directors and investigations; third, amendments to the strict liability penal provisions to permit a defence of reasonable excuse for failure to comply with the law.

The first of the wording changes, which concerns item 6 of the schedule of the bill, is unanimously agreed by all concerned to be an essential technical amendment to clarify a drafting error in the present bill which would limit the National Energy Board's licensing powers to the granting of a licence only to a corporation already holding a licence, precluding a new corporation from obtaining a licence to operate a pipeline.

The other significant wording changes concern clause 4 which is amended to clarify a constitutional uncertainty implied by the present draft, and also clauses 180, 181 and 182 which are amended to make certain that in case of amalgamation or continuance an individual who first becomes a director or officer of a corporation after an amalgamation or continuance is not personally liable for acts of directors and officers of a pertinent corporation before the amalgamation or continuance.

In its second group of amendments, the Senate modified clause 21 to increase the privacy of shareholders in closely-held corporations and amended clauses 110 and 116 to clarify the liability of directors in connection with the delegation of their functions to committees of directors and to officers. The Senate also amended clause 222 to ensure that an ex parte application for an investigation of a corporation must be conducted in private, to preclude any person from using this remedy as a device to secure groundless publicity.

● (1530)

Similarly, the Senate amended clauses 106(1) and 109(3) to empower the remaining directors of a corporation, even without the required Canadian majority, to fill a vacancy caused by the death or resignation of a Canadian director. The stated goal of the amendment is not to change existing policy or to water down the effectiveness of the Canadian director provisions but, rather, to make them work better by simplifying the process of maintaining a majority of Canadian directors on the board.

In the third group, the Senate amended several strict liability penal sanctions to permit an accused to establish that he has reasonable cause for not complying with the law. The department officials and I did not object strongly to these amendments, pointing out that the corporation law is not based on the criminal power, and therefore that the criminal sanctions serve only as a veiled threat to

secure compliance, and that the bill relies mainly for its enforcement not on criminal sanctions but, instead, on effective civil and administrative remedies which make the corporation law as self-enforcing as possible.

The Senate committee studied the bill professionally, objectively and fairly, limiting their amendments to what they strongly felt were substantive improvements. We therefore agreed and I agreed on behalf of the government, to the changes recommended by the Senate committee that I have already outlined.

As I mentioned during the second reading debate in this chamber, the development process that has led up to today's debate on the Canada business corporations bill has lasted eight years. Changes were made at the proposals stage, the first bill stage, during House committee hearings and during the Senate committee hearings. I believe all who are familiar with the bill acknowledge that it is a very good bill. We have no illusions about developing a perfect bill that will please everyone and will resolve all problems. We think, therefore, parliament should consider the corporation law revision not as a secular process but, rather, as an annual process, to ensure that federal corporation law will not once again become as outdated as the present Canada Corporations Act.

Indeed, having already given the House committee an undertaking to crystallize at least one regulation as statute law within the next year, and knowing that further technical difficulties will arise as we acquire experience working with the bill, we will introduce a bill next year to deal with those issues. Through this process we compel the department to remain responsive to suggestions and also ensure that the law will be better adapted to changing economic and social conditions. As I said, the Senate committee in making its recommendations acted objectively, fairly and reasonably, arguing clearly and forcefully for each proposed amendment. I found it impossible not to be responsive to their suggestions, which I thought were consistent with the over-all development of this bill.

In conclusion, I repeat that this bill has been a long time in preparation. It is well structured, clearly drafted, comprehensive, imaginative and, above all, practical. I therefore urge all members of this House to support its passage.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I fully agree with one complaint made by the hon. member for Edmonton West (Mr. Lambert). I think it is unfair to ask us on such short notice to deal with one motion making 27 amendments to this massive bill. These are amendments made by Their Honours in the other place. I was assured through the usual channels that they were just administrative amendments and that we did not need to concern ourselves about them. I confess that I have not done the homework on them that I ought to have done.

Mr. Stanfield: Tut, tut!

Mr. Knowles (Winnipeg North Centre): I hear my hon. friend from Halifax making little remarks which suggest that it is bad to make that kind of confession.

Mr. Stanfield: But it is good for the soul.

[Mr. Cafik.]

Mr. Knowles (Winnipeg North Centre): It is good for the soul. By referring to the Leader of the Opposition (Mr. Stanfield) as the hon. member from Halifax, I was not downgrading him: to me, anybody who comes Nova Scotia is an important person. It was a friendly reference.

I looked at the amendments while the hon. member for Edmonton West and the parliamentary secretary were speaking, and I found that six are so annoying that I must decline the parliamentary secretary's request to support the motion approving them. It strikes me that these are amendments we might expect from the other place. Frankly, I do not like them. I object to six amendments; two on page 136, two on page 137, one on page 139 and one on page 140. In all six cases the Senate wants to change the law so that action, if necessary, can be taken only against a corporation and not against its directors or officers. In every one of the six amendments to which I have referred, the original words "or its directors or officers" have been deleted.

Having listened to the soothing words of the parliamentary secretary, I was puzzled to discover that in two instances those words were actually written in the bill by the committee of this House which considered it. In other words, the inclusion of those words was not accidental; the bill which this House sent to the other place included the provision that in certain instances a conviction could be sought against a corporation or against its officers or directors. Considering the number of officers and directors sitting in the other place, I am not surprised by what has been done. They object to this provision in the law.

I have in mind the fact that in some countries in recent years it has been recognized that when companies break the law, the companies should suffer but so should some of the executives who are responsible for their decisions. Likewise, in this country we face what has been called the dredging scandal. I suggest that perhaps that scandal is not really within the confines of the government; it is a scandal within the confines of certain corporations. I suggest that when bad decisions are made by corporations, they are actually made by officers or directors of the corporations, and those officers or directors should be subject to the penalties of the law. Therefore, I do not like what the Senate did in deleting the references to directors or officers of companies in the six places to which I have referred.

Perhaps I shall find still other of the 27 amendments offensive. I must now say that the assurance I was given earlier, namely, that these amendments are administrative and need not cause us any concern, does not wash as far as I am concerned. So even if all I can do is shout "On division" when the question is put, that is what I shall do to register my opposition to the changes which the Senate made to the bill which the House of Commons sent to it.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I listened carefully to the previous speaker's remarks and note that he has finally learned the facts about the amendments proposed by the Senate. These amendments are significant and I am pleased that the Senate has proposed them, because it appears that the other place has greater insight, if you like, or perhaps is more persuasive than the government, the minister or backbenchers were on the committee which dealt with this bill. The fact is, a proper

study was not made of this bill before it was passed by the committee: the entire emphasis was one of rush. When questioning was attempted, time and again the Liberal members of the committee interrupted and said, "Let's get on with passing the bill."

● (1540)

It is true the bill is not one with which we can make headlines. At the same time, however, as responsible members it is unfortunate that the Liberal caucus did not see fit to give this bill adequate study before referring it back at report stage to this House. That is why I am pleased the other place at least caught some of the amendments that were very urgently required when the bill was before the committee.

I was pleased to hear the parliamentary secretary say today that a new bill is being proposed to amend the one we are passing, and that the new bill will be introduced within a year. I am hopeful that some of the amendments that should be made in this bill will be made in the new bill. It is a ridiculous way to deal with legislation by introducing a bill, proposing amendments both in the House and in committee, then the bill is finally reported back to this House, receives third reading, goes to the other place and still more amendments are made to it. As the hon. member who spoke before me indicated, the amendments in the other place reverse some of the amendments proposed by the minister when the bill was at the committee stage. Is this any way to give those who would incorporate companies in this country a feeling of confidence in the administration of the Department of Consumer and Corporate Affairs?

I am surprised the minister is not here today to explain some of these amendments and to point out that in spite of the fact he did not propose them in committee, he is willing to live with them. I say I am surprised; however, on reflection I am not very surprised. I believe that if the minister were here today he would be genuinely humiliated by having to face this House and explain amendments made in the other place as opposed to the bill being properly dealt with in his own caucus. Speaking about clout, this is obviously one minister who has very little clout, certainly on the Senate side of the Liberal caucus.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): No. On division.

Motion agreed to, amendments read the second time and concurred in.

Environmental Contaminants Act

ENVIRONMENTAL CONTAMINANTS ACT

MEASURES TO PROTECT HUMAN HEALTH AND ENVIRONMENT FROM CONTAMINANTS

The House resumed from Friday, March 21, 1975, consideration of the motion of Mr. Sharp (for the Minister of the Environment) That Bill C-25, to protect human health and the environment from substances that contaminate the environment; be read the second time and referred to the Standing Committee on Fisheries and Forestry; and the amendment thereto of Mr. Fairweather (p. 2251).

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I would like to thank hon. members opposite for their very construction criticisms of this bill. I gladly accept these criticisms and I am certain that they will be very useful to me in administering the act when it is passed by the House.

I would have liked to reply point by point to some suggestions and the criticisms that have been made, but instead, I shall take advantage of the study of the bill by the committee on fisheries and forestry to do so. Today, I would simply like to say that when hon. members made suggestions about Bill C-25, they omitted to consider the other acts under which we may act to protect human health or the environment, which include the Hazardous Products Act, the Pest Control Products Act and the Clean Air Act, under which, I might mention, we must prove a real health hazard; all these acts enable us to take measures. However, we needed a new bill in which, as you will note, we ask only for residual powers to fill the gaps of certain federal and provincial acts.

As I have already explained, Bill C-25 concerns suspicious substances of which there might be traces in eco-systems. These are substances which are not biodegradable, and their accumulation may eventually have damaging effects on the environment or create health hazards. Mr. Speaker, we needed this new bill to deal with suspicious substances, which sometimes have minimal or indirect effects on health or the environment.

We had to obtain the authority to make additional studies on these substances which might be traced in the food chain, the life cycle or the atmosphere.

Some of those substances have already been identified. We mentioned freon, SO_2, cadmium and recently we discussed at length the indirect effects of asbestos fibres inhalation on the health of workers.

This measure is not of the same generation as those aimed at eradicating pollution, but it is a preventive measure. We shall identify suspicious substances and then analyze them. We want to check the presence of those substances in all kinds of manufactured products. This is why we are seeking this new authority.

The hon. member for Rocky Mountain (Mr. Clark) feels that under this bill I should request information on every manufactured product. I am not sure whether the hon. member realizes the volume of paperwork that would be involved if I were to request information on each and every manufactured product. I believe their number totals 30,000 a year.

It is absolutely impossible to examine each one of these products within reasonable time. The processing of data would require a very large staff, because I would have to tell manufacturers within a reasonable time frame: You may now go ahead with the manufacturing of such or such a product, because close scrutiny showed that the manufactured products involved contain no suspicious substance that would affect the environment.

Therefore, I am seeking authority to request complete information on substances that we feel may constitute a danger. The hon. member for Rocky Mountain wonders how I will go about identifying such substances, and proposes, or rather he feels that I will rely on messages carried by birds.

Mr. Speaker, I love birds, and if by any chance they perched on my shoulder, as the hon. member suggested, I wish it were only to bring good news. I therefore will not trust birds to bring me information on suspicious substances. He knows very well I would not trust them. At any rate, I wish they kept on carrying good news about the environment.

I will know substances are suspicious from research work carried around the world. I named some of these substances: freon, cadmium, SO_2 and certain other products we feel may indirectly affect the environment or human health. As soon as we suspect one substance may be dangerous, we will endeavour to analyze it and find out which manufactured product uses it in order to know what quantity of this suspicious substance would thus be present in the environment, in eco-systems, in the food chain or in the atmosphere.

Therefore I must limit myself to such suspicious substances. I cannot examine all the chemicals that are manufactured in this country. Therefore, following such scientific research work, following the observations of scientists or medical doctors, we will decide whether the study of a certain substance or of a certain product should be advisable. Then, after we have gathered sufficient information, we will be able to enact regulations to limit their use and prohibit them if they are dangerous. We may also prohibit their export or regulate their use one way or the other.

The hon. member, in the same spirit, would also like me to give in the bill a list of these suspicious substances. I might be able to do it and I will consider his proposal. But here again, I should like to warn him about the danger of claiming without sufficient proof that such a substance is suspicious. After all, one should proceed with some caution in regulating the use of certain products because considerable damage could obviously be caused to industry that could not be justified afterwards. Therefore, I am only asking to be able to proceed with the caution normally shown by governments.

The hon. member says that all I am asking for is a complaints office. If I were, for instance, responsible for the police, I would only have a complaints office, and then, I would be unable to take action. I put this question to him: should I, as a result of complaints, put everyone in jail? That is precisely what I want to avoid. If I get complaints, I want to be able to look into them and then, request the authority to take action.

[Mr. Sauvé.]

I should also like to deal with another aspect of the question. The hon. member claimed to be very concerned about the authority of the Environment Department. He objects to my consulting other departments, other government agencies, at the various stages of the studies I shall have to make of some of those substances. He sees weakness in the obligation I want to assume of consulting departments, agencies and provincial governments. In my opinion, Mr. Speaker, that is no indication of weakness. Might I remind the hon. member that the department and the Minister of the Environment hold their authority from the cabinet itself which, on December 20th, 1973, promulgated the policy whereby all government departments and agencies must seek the advice of the Department of the Environment on matters falling within its jurisdiction. Moreover, they must seek the advice of the Department of the Environment before undertaking any major project which might affect or have any bearing whatesoever on the environment.

Mr. Speaker, I believe I have answered briefly and, I am sure, completely the objections of the hon. members on the other side of the House to this bill being given second reading. I believe my explanations should suffice at this point in the study of the bill. Consequently, I suggest and request of the House that it pass the motion and refer Bill C-25 to the standing committee on fisheries and forestry for consideration. May I assure my hon. colleagues that at other stages of this bill I shall welcome any and all amendments or suggestions that conform with the spirit of the bill and can improve it.

● (1550)

[*English*]

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

Some hon. Members: Question.

Amendment (Mr. Fairweather) negatived.

Mr. Deputy Speaker: The question is now on the main motion. Shall the main motion carry?

Motion agreed to, bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

* * *

WEST COAST PORTS OPERATIONS ACT, 1975

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING OPERATIONS ON THE WEST COAST

Hon. John C. Munro (Minister of Labour) moved that Bill C-56, to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, hon. members will be aware that the bill just introduced for second reading contains the government's legislative proposals respecting longshoring and related operations at ports on the west coast. I shall refer to these proposals in some detail a little later, but first it would be helpful and appropriate to recall some of

the pertinent background facts and events which have led to the introduction of these proposals.

The West Coast Ports Operations Act, 1975, has as its principal subject some 4,000 non-supervisory and supervisory longshoremen, represented by the International Longshoremen's and Warehousemen's Union, and the British Columbia Maritime Employers Association, representing some 61 companies. As hon. members realize, we are contending here with two distinctly separate yet related dispute situations. With respect to the non-supervisory longshoremen, who are represented by seven locals of the ILWU, a legal strike began on March 2 after unsuccessful attempts to negotiate a revision of their collective agreement which expired on December 31, 1974.

● (1600)

It should be pointed out that during negotiations both the union and the employer made firm recommendations that no conciliation board or conciliation commissioner should be appointed in these disputes. In fact, it was suggested by the parties that possibly conciliation board reports were partially to blame for past strikes in the port of Vancouver, as such reports were invariably rejected by one side or the other and a strike ensued. The parties felt confident that, if left to their own devices, settlement could be reached in direct negotiations without resort to strike or lockout. To give the parties full opportunity to work out a mutually arrived at settlement, the conciliation procedures were waived and the parties so notified on December 31, 1974.

The parties resumed direct negotiations early in the new year which reached an impasse, and on January 23 the union membership voted heavily in favour of strike action. Negotiations resumed following the taking of a strike vote on January 23, carried on for some time, and after a final week of very intensive negotiations an impasse was reached on March 1; on March 2 the union called a legal strike affecting dock operations at 11 ports: Vancouver, Victoria, New Westminster, Prince Rupert, Nanaimo, Port Alberni, Chemainus, Harmac, Crofton, Cowichan Bay and Squamish.

Five days later, William Kelly, my department's assistant deputy minister for industrial relations, was appointed as mediator in the dispute and on March 16, following an intensive mediation session, succeeded in bringing the parties to a settlement—a settlement subject to ratification by the union membership. So at this stage there was reason for optimism, and particularly so when a union caucus of 55 delegates subsequently voted 67 per cent in favour of endorsing the terms of the settlement. However, as we now know, this was not the attitude of the union membership, of whom some 55 per cent voted to reject the mediated settlement. Thus, the strike continued and so, too, continued the disruption and damage not only to many sectors of the Canadian economy but also to those foreign countries suffering unfulfilled contracts, particularly grain contracts.

Talking of economic damage, as we know the Canadian Wheat Board has undertaken substantial commitments to many overseas customers, of whom Japan has already had to make alternative arrangements. Not only have our shipments fallen seriously behind—by some 60 million bushels during the current grain year—but our grain transportation facilities, the farmers and other sectors are now facing severe strains which cannot be permitted to continue.

In my opinion, the mediated settlement was a most reasonable settlement and I find it impossible to convince myself of the validity of its final rejection by the union membership. This rejected package provided for a wage increase of $1.95 an hour over two years, $1.15 in the first year and 80 cents in the second.

Members will agree that it is a most difficult decision for a Minister of Labour to conclude that collective bargaining has run its full course, that other measures must be taken to terminate a dispute having a serious effect on the economy of a nation, and in this instance having worldwide effects when starving people are asking for aid.

Mr. Woolliams: That is what I said last week.

Mr. Munro (Hamilton East): We are stealing your line and find it very applicable in this particular case.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): One might ask, would a further mediation attempt be successful? On past experience I could not offer hope of early resolution of this dispute if this course of action were followed. In the 1969-70 dispute between the same parties, mediated settlements, with the participation of Mr. Kelly, were obtained three times and rejected by the union before a fourth mediated settlement was subsequently ratified. In terms of economic damage already sustained in this particular dispute, we cannot afford the time to go through that type of procedure if only to suffer the same result.

While it is personally repugnant to me to introduce legislation curtailing the collective bargaining process, I am sure hon. members will agree we have reached the stage in this dispute where there is no alternative.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): I would now refer to the second dispute situation involving 13 west coast stevedoring companies and the ship and dock foremen of local 514 of the ILWU. This case surrounds, in part, the application of local 514 for certification by the Canada Labour Relations Board and the parties' attempts to negotiate a first contract. Some eight months ago the union was certified by the board as bargaining agent for units of foremen of 12 or 13 companies. The exception at that time involved Pacific Coast Terminals Limited which was subsequently certified in January of this year.

However, these certifications shortly became the subject of proceedings instituted in the Federal Court by the employers against the decisions of the Canada Labour Relations Board. Nonetheless, the parties held separate and joint meetings in direct negotiations which were unsuccessful to the extent that a conciliation officer was appointed to deal with the 13 collective bargaining disputes. Again—and I am still talking about the foremen—a settlement was not to be forthcoming and the union had the right to strike as of January 8. No further conciliation efforts were advanced. Further inability to reach an agree-

ment culminated March 22 in the foremen setting up picket lines at all 13 company locations involved.

I have already briefly referred to the damaging situation which now exists as a result of the first mentioned strike. That this situation cannot be allowed to continue is self-evident. Therefore, the West Coast Ports Operations Act, 1975, orders the immediate resumption of both non-supervisory and supervisory longshoring and related operations.

With respect to the strike of non-supervisory employees, their strike will cease immediately on the coming into force of this legislation and they will return to work under the terms of their collective agreement which expired December 31, 1974. This extended collective agreement will expire on December 31, 1976, or whenever a new agreement or an amended agreement comes into force before that date. No strike or lockout is to be permitted during the entire term of this extended agreement. An arbitrator is to be appointed to whom will be referred all matters relating to the amendment and revision of the collective agreement that are in dispute. The arbitrator's decisions, together with other amendments previously agreed to by the parties, will constitute a new collective agreement that will be in effect from January 1, 1975.

With respect to the dispute involving the supervisory employees of local 514, their right to strike will cease immediately on the coming into force of this legislation and they will also return to work on the same terms and conditions that applied before the work stoppage. No company may alter any term or condition without union agreement. No strike or lockout is to be permitted prior to the establishment of a collective agreement. An arbitrator is to be appointed to whom will be referred all matters that are in dispute between the companies and the union.

That, Mr. Speaker, is in essence my remarks and I would ask for the approval of this House.

● (1610)

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in beginning may I say as clearly as I can that it is a matter of deep regret that once again parliament is called upon to legislate back to work workers who are legally on strike. I am sure all hon. members would wish it were otherwise, but the fact remains that in the absence of effective procedures to resolve disputes between management and labour that affect the national interest, legislation of this nature is not only necessary, it is inevitable. It is inevitable because there comes a point when the rights of the parties to a dispute—I refer especially to the right of lockout and the right to strike—can no longer be permitted to trespass on that greater right shared by all of the public, that irreparable damage to the national interest cannot be permitted to continue.

I recognize that it is not always easy to resolve the ever present conflict between the two positions. This is a free country and Canadians have recognized that a part of that freedom is the right to strike in furtherance of the demands of working people in this country. But no right is absolute in a civil society. I know this is recognized by the majority of labour leaders. I believe it is recognized by the vast majority of the millions of Canadians who make up the work force of this nation.

[Mr. Munro (Hamilton East).]

What has not been recognized by this government is that it has an obligation to establish a coherent procedure which will result in a fair wage and fair conditions of work without recourse to crippling strikes that deny essential services and drive destructively at the very substance of the national interest. As all members know, a public interest disputes commission has long been advocated by this party. The government response is that it will not work; but to date the government has offered nothing in its place. If the past few years have shown anything, it has been that in the absence of some agreement between management, labour and government whereby all three accept the responsibility to avoid the intolerable effects of certain strikes on the national interest, parliament will be recalled again and again to resolve the difficulty on an ad hoc basis.

This self-evident truth is, in fact, shared by all political parties. The Liberal government has either invoked existing legislation or introduced special legislation four times since August, 1972, to restore grain movements, shipping and transportation. During the debate in 1973 to restore rail movement, the then leader of the New Democratic Party said:

> We, of course, agree that parliament has a duty to the people of Canada and to the public interest, and that there comes a point in a strike such as a national railway strike at which members of parliament must take the responsibility of making certain that rail operations are resumed so that the harm, the difficulties, the hardship caused by the strike are ended.

Recently, in British Columbia, the NDP premier of that province tossed all his former rhetoric to the winds and swiftly introduced legislation ending a strike of municipal firemen. He knew, and everyone knew, that an essential service cannot be withdrawn. It is easy to say it is difficult to determine what is an essential service or what is destructive of the national interest, but this argument is nonsense and is refuted by the practice of all governments, of whatever political stripe, acting by legislation in such cases. The tragedy is that so often so much damage is done when it could be averted before the event. But this will not happen until all of us in Canada face the facts of life and adjust our bargaining procedures accordingly. Real freedom is only enjoyed within civil society. Chaos is not freedom; it is the breakdown of a civil society and it creates a climate where, in desperation, people will cry for order even at the expense of their liberties.

Clearly, in the case before us, the national interest is gravely affected. It is in the national interest that Canada deliver its grain shipments, and on time. It is also in the national interest that the grain producers of Canada obtain the best price for that grain. As hon. members know, the inability to meet our delivery commitments has resulted in the grain producers being caught in a falling price situation, and this loss is borne not by the nation at large but by one segment of the nation.

The demurrage charges, mounting in the millions, are paid for by the grain producers. The hon. member for Skeena (Mrs. Campagnolo) chided us for speaking of grain last Wednesday last. The fact is that last Wednesday we had every expectation that the longshoremen's strike would be settled satisfactorily, and there was no need to talk about the great damage to other sectors of the economy if the ports were closed. That is now the unhappy

result; but it was proper that hon. members made clear how unfair it is to allow one group in Canada to suffer the largest portion of economic loss.

I remind all hon. members that no grain has moved since February 17. For several weeks the ports have been closed to all shipping. Ninety-three ships are now waiting for cargoes on the west coast. Since August 1, 1974, over 40 per cent of all ordinary grain loading days have been lost because of work stoppages. Increasingly, other workers—not involved in the dispute are being laid off as a direct result of the strikes. It is not just that there is now a national emergency; the national interest has been disastrously affected for many weeks, and during this long time the government has stood by, mouthing platitudes about the right to strike while the damage to the national interest mounted day by day.

Apart completely from the government's long inability to devise better procedures for settling industrial disputes, the effect of inflation is directly affecting the entire climate of negotiations. As the Prime Minister (Mr. Trudeau) knows, because he has said it often enough, inflation threatens the very fabric of our society. It is not difficult to understand why workers, especially those at the lower end of the pay scale, are demanding what seem to be absolutely incredible percentage increases. But the reason is plain: they have no confidence in the future.

It is not hard to understand why usually quiescent unions are now militant, and it ought not to be wondered at that a concomitant of lack of confidence is a rank and file refusal to abide by the recommendations of their own negotiating teams. The Minister of Finance (Mr. Turner) said in September:

> Whether we succeed in realizing our great potential depends mainly on ourselves. One way or another a balance is going to be struck in the allocation of shares of the national income between the various sectors of the economy. We can come together and seek to strike a fair and reasonable balance between such elements as wages, prices and profits through a process of consensus which will make possible continued strong growth of national income to the benefit of us all. Alternatively, we can allow the balance to be determined by the process of prolonged and bitter industrial strife, which could leave everyone considerably worse off by substantially reducing the size of the pie that is available to be shared between us.

It ought to be obvious that we are now, in fact, experiencing just what the Minister of Finance predicted. But he made that speech in September. The months have passed. The search for the elusive consensus continues; but incredibly those who are being consulted have no idea whatsoever what the government believes is a "fair and reasonable balance". We have no idea what the government's objectives are. But one thing is so terribly clear: seven months after the Minister of Finance's speech the government is still refusing to show any leadership. Perhaps this is borne from a sense of impotence or an inability to take the tough decisions that are needed. I suggest it is also due to a sense of unwarranted pessimism on the part of the government which reveals a certain lack of faith in Canadians to meet a challenge.

● (1620)

Last year the Prime Minister responded to the crisis of inflation with the warning: You cannot ask for common restraint because people will not co-operate. Certainly some people will cheat on their neighbours, but we have not been, and are not now, a nation of cheaters; and we are not a nation of cowards unable to brace ourselves to accept our responsibilities.

Recently, responding to the deepening crisis in the economy, the Prime Minister complained that it is difficult to do anything because nobody trusts the government any more. Certainly the government has to have the trust of the public, to lead effectively. But its own determined action must be the basis of the trust. This government recently received a majority mandate. The Prime Minister has been treated very generously by the people of Canada and instead of complaining about some undefined meanness in our national spirit he should start employing the good will his government still enjoys before it is wasted on the barren ground of timidity.

Mr. Speaker, there is no question that we are faced with a national emergency. What is required is a national response. Every Canadian is involved in that response. The measure of the civility of our society is very much at stake now and will be in the coming months. Leadership is called for, not just from the government but from the leaders of all parts of our society.

My party supports this bill today because it is necessary to do so. But we also say to the Prime Minister, show us what you wish to accomplish; give us some idea of how you wish us to respond; make it clear to all Canadians that the best is being demanded of us, not the worst. I say to the right hon. gentleman, through you, Mr. Speaker, that we will not be found wanting.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is no surprise to anyone in our country to learn that the NDP, whether at the federal level or at the provincial level, has a profound disposition to oppose legislation that forces working men and women back to work under any circumstances. We believe that one of the essential aspects of a free society is the right of men and women to withdraw their services if they feel that the circumstances under which they are working are unsatisfactory to them. It is the basic right of any free society, and it must only be with the greatest degree of reluctance that any person or party committed to this idea would support legislation involving the abridgement of this basic right, because that is exactly what is involved and we in parliament have to face the situation if that course of action is taken.

The only possible circumstance under which, in our view, there would be justification for taking away this fundamental right would be something that would come under the rubric of the national interest. The national interest, like nationalism and a number of other concepts, is used frequently to disguise quite perfidious kinds of actions, so that when you say you are acting in the national interest it seems to me there is a basic obligation to spell out in some detail at least what you have in mind.

I am now saying, on behalf of our party, that we will support this legislation.

Some hon. Members: Hear, hear!

Mr. Broadbent: Therefore, it seems to me that we have an important obligation to say why we are supporting it. The reason, I think, has been outlined by the Minister of Labour (Mr. Munro) and it is a plausible and acceptable

case in the immediate circumstance; I say that to the minister.

Tied up on the west coast of Canada are some 93 ships representing various interests of a variety of exporters and affecting many parts of the country, affecting people who are exporting from the heartland of Canada as well as the west coast, but particularly affecting the people responsible for the growing of grain in our prairie provinces. The grain shipments above all—this is not to say the others are not of some importance—affect a major region of Canada in terms of our being able to keep our trading commitments and in terms of other countries' perceptions of our nation as a trader, our sense of reliability in trade matters in general. Therefore, because of the importance of shipping in general, and of grain shipments in particular to people with whom we have entered into important contractual arrangements, we are going to accept this legislation although with great reluctance.

I want to make some comments on the issue of strikes because the spokesman for the Conservative Party who preceded me, as well as the minister and many members in the House and people outside, are rightly concerned about strikes in Canada at this time and there is an increasing number of contracts, particularly this year, with which the federal government will have to deal. This applies also in the private sector.

I would like to make the point, with regard to strikes that we should keep in mind the fact that a strike is not necessarily an evil or a bad thing. A strike is entered into, on the part of people who are in our work force, as a last resort; it is an expression of profound dissatisfaction with their working circumstances. If it leads ultimately to a settlement that has not been reached on the basis of some kind of negotiation—and most settlements are reached independently of the strike—and if the strike is used as a weapon to bring about a settlement, the result in the long run may be much more acceptable to both parties, and therefore the strike is not necessarily a bad thing.

An hon. Member: Both parties?

Mr. Broadbent: Indeed, to both parties. If a strike comes to an end at some time because the two parties decide finally, in the last process of the negotiations, to come to a settlement—

An hon. Member: One side gives in.

Mr. Broadbent: Of course one side gives in, as the hon. member says. That is one of the inevitable results of a successful strike. The point I am making is that this happens as opposed to settlements in some societies.

If I understand part of the proposal advocated by the Conservative Party, if we are going to take away the right to strike of certain sectors we will take away their weapon of last resort. I say to them in all seriousness that one of the consequences of that will most likely be, not a greater sense of harmony in work relationships, not greater acceptance of contractual arrangements, but it will in fact lead to more conflict, more illegal work stoppages and more illegal strikes.

An hon. Member: Nonsense.

[Mr. Broadbent.]

Mr. Broadbent: That is what it will mean, not less disharmony in society. I want to make that point as clearly and unequivocally as I can because many people both inside and outside the House tend to regard strikes as an intrinsic evil. I repeat that it is not necessarily an evil. A strike is an aspect of a free society and it has an important social function which, when it leads to an agreement which is ultimately acceptable to the workers involved, could produce more harmony in the long run in our work force than an alternative proposal which would prohibit strikes, which in my judgment could lead to a larger number of outbreaks and a larger number of cessations of work.

● (1630)

In saying that we are accepting this bill at second reading, I want to make it clear that we reserve final judgment on it precisely because we find one major flaw in it, and I want at this point to appeal directly to the Minister of Labour on this issue. It seems to us that while it is in the national interest, for reasons I have already given, to bring this strike to an end, it is equally the case that it is unfair to force the longshoremen on the west coast back to work for wages which they are now receiving and which refer to their previous contract. The minister, I think, agrees with what I am saying.

Mr. Munro (Hamilton East): What is the answer?

Mr. Broadbent: I would like to suggest an answer. When we get to the committee stage I will urge the government to embody, if it agrees with my answer, my proposal in the form of an amendment. We in the New Democratic Party believe that the floor from which the arbitrators should work should be that reached in agreement by the negotiators in the most recently negotiated settlement rejected by the majority of the workers. That should be the floor beyond which an arbitrated settlement should not go.

An hon. Member: They turned it down.

Mr. Broadbent: The minister indicates that he does not agree with that. We think that if we take away the right to strike and send workers back, the very least we can do is make sure that the wages they will receive under the new settlement are not lower than those which their negotiators most recently found to be acceptable. The minister shakes his head to our proposal. Perhaps at committee stage he will explain why, because earlier he agreed in principle, as I understand it, that there should be some provision in the bill which would make it possible for the workers to go back to work under conditions somewhat improved from those they currently experience in terms of their old contract.

I shall conclude my remarks on precisely that point. We support the bill, reluctantly, on second reading because we must get the ships moving again on the west coast. We will suggest, and we suggest now, that the government act at committee stage to amend the bill to improve the conditions under which the workers will go back, and we reserve our final judgment on the bill depending on the course of action taken at that time.

Mr. Deputy Speaker: Order, please. The hon. member for Calgary North (Mr. Woolliams) wishes to ask a question of the hon. member for Oshawa-Whitby (Mr. Broadbent). Will the hon. member for Oshawa-Whitby accept a question at this time?

Mr. Broadbent: Yes, Mr. Speaker.

Mr. Woolliams: I am very pleased that the parliamentary leader of the New Democratic Party takes such a reasonable position. In regard to those unique industries where the national interest is at stake, does he believe, or does his party believe that there is any formula other than the right to strike which would be fair to management and fair to labour? Does he believe there could be devised any other formula?

Mr. Broadbent: Not wanting to enter into a prolonged debate with the hon. member, I will try to answer very briefly, with my present knowledge and from experience gained in Canada and abroad, my quick answer is no. I will make a supplementary point and then conclude. My reason for answering "No" is that the right to strike is a basic right of freedom to work or not to work. If a strike occurs in a sector of the economy where at any time, either at the provincial level or the federal level, it is decided that the national interest is being infringed upon, then we come together as we are here, reluctantly, this afternoon and effect a legislated settlement. I think that is the ultimate solution and it is preferable to the removal of the right to strike.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to state very briefly my position and that of my party on Bill C-26, which deals again with problems in western ports.

Mr. Speaker, a special piece of legislation was adopted by this Parliament in October 1974 to deal with a labour dispute, namely to force striking grain handlers in western ports back to work and extend the term of their collective agreement to November 1975.

At that time, the Minister of Labour (Mr. Munro) made practically the same statement as today. He introduced a measure to deal with a somewhat unusual situation and force workers back to work, claiming that he was acting in the best interests of Canada.

I remember taking part in the debate and supporting the legislation in the interest of all Canadians, while deploring the fact that Parliament had to intervene again in a labour dispute.

Last week, we had a special debate on a labour dispute on the west coast. During this debate, the President of the Treasury Board (Mr. Chrétien) stated most emphatically that Parliament had no intention whatever of depriving workers of the right to strike which Parliament itself had granted to them. Speaking about workers he said, for instance, as one can read on page 4276 of *Hansard*:

● (1640)

MR. CHRÉTIEN: Parliament gave them that right, and I believe in collective bargaining. What has happened in respect of this strike is another example of the fact that if you are patient enough you can resolve problems.

I am also satisfied that it is a good principle. There comes a time when patience fails. Emergencies need remedies and measures have to be taken. I keep on with the quotation:

In addition to that, even if I had settled that strike last week, or at the beginning of this week, it would have done absolutely nothing to change the situation in respect of wheat movement out of the port of Vancouver, because the longshoremen were on strike and I have no responsibility for them.

And he added the following:

In any event, the pressure was not yet that great. Had I waited for the pressure I might have waited until next week.

. . . the minister was speaking about this week. I resume the quotation:

There would certainly be more pressure next week if the longshoremen were no longer on strike.

Therefore "next week" is now and we still have this strike which still goes on, as the President of the Treasury Board (Mr. Chrétien) predicted.

Now it is not out of sheer wantonness, I know, that the Minister of Labour (Mr. Munro) introduces a measure to force the workers, who go on strike legally and are using a right which was granted to them, to go back to work, even if negotiations go on, if they continue to try to find an agreement so that the Vancouver port and western ports may be kept busy, and that our international trade may not suffer too many losses.

Now there is once more evidence of the existence of conflicts throughout Canada. We feel as though we were on a volcano. As soon as a strike is settled in one area, others flare up and the fight goes on, which shows again the uneaseness that exists between the rights recognized by government authorities as to labour capital and money capital. I have the clear impression that the government is braver when it has to pass legislation concerning labour capital than when it deals with financial interests.

For once I would like to go at the bottom of things instead of laying all the blames on workers. As for the indexation formula, we hear little else these days. Driving from my home to Ottawa earlier today, I heard a 90-minute radio program during which reference was made to indexation. I do not at all believe in that formula as an effective solution to our problems. We do not yet have any proof. When salary increases are granted to a group of workers, because prices are continuing to rise, the industries or companies which pay higher salaries boost their prices. It is not the sole cause of price increases, there are also other causes which will have to be analyzed. Salaries are not the only cause of the cost of living increase, of inflation, but it is one of them.

Under the circumstances, workers who are not guaranteed better wages or are not assured that their income tax will be reduced, exert some pressures and use the strike to try and have their rights acknowledged. And you have to do it again after some time. It is always the same story, you have to do it again. Therefore indexing is not an appropriate system.

Now, I ask the Minister of Labour to have his officials make a close examination of the relations between labour capital and money capital in this industry, and to ensure that there be a fair share, so that companies do not grow

wealthy at the expense of labour. We should make sure that companies be entitled to a reasonable profit and that the difference to given to labour. We should associate them in some way to the development of their firms. I believe that this would be the best system to ensure peace between labour capital and money capital, because both would work in harmony. Both would have some assurance, because they would find a lot of interest in working together instead of ever being at variance.

Given the circumstances, I think it is necessary that this legislation should pass as soon as possible, so that work and operations may start again. As it has been said before, we should not stop at that. After operations have resumed we should continue to concern ourselves with all these problems, so as to stop the rising of new conflicts within three, six months or a year.

Mr. Speaker, I support and my party will support this bill for the reasons I have just explained. But I do not give any assurance for the future, if nothing is done to create a greater understanding between the two forms of capital which are necessary for Canada. Then, we shall have to take the necessary measures to force the government into facing money capital, if it goes on taking unfair advantage of labour in this country.

[*English*]

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, recognizing that this measure has to be dealt with quickly I was not going to take part in the debate, but the interjection by the Minister of Labour (Mr. Munro) when the House leader of this party, the hon. member for Oshawa-Whitby (Mr. Broadbent), was speaking makes me feel that the government probably has not realized the full implication of the suggestion the hon. member was putting forth.

Let me try very simply to put the situation as we see it. In a democratic society we always walk the tight-rope between two very basic democratic principles. The first is that those who earn their living by selling their labour have a right to bargain collectively regarding the price that they will get for the work they do. Ever since Abraham Lincoln freed the slaves on this continent, no person has been compelled to work against his or her will. People have the right to band themselves together in associations for the purpose of negotiating regarding the wages they will receive, the hours they will work and the conditions under which they will labour. This has been recognized by all parties in this House and by the majority of Canadian people as a basic right of a free people.

Against that we always have to balance the harm which it does to society as a whole if a labour dispute ends in a strike which carries on for a considerable period of time. There seems to have been a mistaken idea in some quarters that workers enjoy going on strike. I walked the picket lines when I was a young printer. Mr. Speaker, it is no fun being on strike. Not only does the employer lose business, not only is society inconvenienced, but the worker is going without wages; he suffers because of the strike. Men and women do not easily go on strike. They do not go on strike because it is a lot of fun; they go on strike because they are convinced that the wages they are receiving and the terms and conditions under which they work are not fair and just.

[Mr. Lambert (Bellechasse).]

It is true, as the House leader of this party has said, that there comes a time when a long industrial dispute harms the community as a whole to the point where it must be brought to an end. We agree that this is a situation where a strike has to be ended. We support the idea, under these circumstances, of having legislation passed by this parliament which will bring this strike to an end. But the point which I think the government has not become sufficiently seized of is that when you take from a group of workers in this country the basic right to withhold their services, then you must put in its place the basis for fair and just settlement.

● (1650)

Compulsory arbitration is the court of last resort. Compulsory arbitration means that a group of workers will allow another individual whom they did not select, but who is appointed by the government, to decide what price they will get for their labour for the next two years. That is tremendous authority to place in the hands of an individual. If you take from these workers their right to withhold their labour; if you say, as this legislation does, they must go back to work, surely you must give them some guarantees: you must guarantee that you are not using the excuse of the national interest to deprive them of a fair and just settlement.

In the process of this strike, which has lasted several weeks, the workers made demands and the employers made offers. Finally a partial settlement was reached. The employers made an offer which the bargaining committee for the union accepted but which the union membership repudiated. This legislation says to the workers, "You must go back to work." But on what terms are they to go back? The terms are those of a bargaining agreement 2½ years old which expired on December 31 last. The workers could not get an agreement from their employers which, in the opinion of the workers, offered satisfactory wages and conditions.

I think the least parliament can do is say to the workers, "We are ordering you back to work, but we guarantee that the minimum you will receive is what the employer was willing to pay." According to figures I saw in newspapers—I have no inside information—the employers are willing to pay an additional $1.85 an hour more over a two-year period. If they are willing to pay that, what right have we to order men back to work on the basis of an agreement signed 2½ years ago? An arbitrator could decide that the employees will receive less wages than the employers offered.

Mr. Baker (Grenville-Carleton): That is highly unlikely.

Mr. Douglas (Nanaimo-Cowichan-The Islands): How will these workers react? Let no one misunderstand me. I say that the law of this country must be obeyed, and I hope—I will do everything to make that hope reality—that the workers on strike will go back to work once this legislation is passed. Remember, you can lead a horse to water but you cannot make him drink. You can send men back to the job but you cannot always make them work. The best way of ensuring that workers accept this legislation and go back to work is by guaranteeing that they will

not get less wages than the employer already agreed would be fair.

I think the Minister of Labour interjected and ruled out this proposal. I remind hon. members that there are precedents for it. When the government of the day introduced a bill in 1966—I do not know the exact date—ordering striking railwaymen back to work, the bill, if my memory is right, guaranteed them a 6 per cent increase and provided for the balance of their demands to be submitted to an arbitrator; but the railways had already offered the workers 18 per cent. We debated the bill for several days and Prime Minister Pearson finally accepted our argument as fair and the bill was amended. The government guaranteed the men a floor of the 18 per cent the railway companies had already offered and ordered the arbitrator to consider any additional amounts to which the employees might be entitled.

I remind the House that not long ago we passed the bill ending the grain handlers' strike. If hon. members look at clause 4(2) of that bill, they will see that we sent the grain handlers back to work, guaranteeing them that no matter what the arbitrator might decide, they would not get less than the amount recommended by the conciliation board. That guarantee assured the workers that they would get something, that there was no prospect of the arbitrator saying, "You must go back to work but you will get practically nothing extra."

When we consider this bill in committee of the whole the government will make a great mistake if it does not amend it, so that when we order these men back to work they will be assured the final settlement will not be smaller than the one already offered. That, it seems to me, is the essence of fairness. If the companies had not made an offer, it would be different. Hon. members may be sure that the additional $1.85 an hour for two years which the companies offered is, in the opinion of the employers, what they can afford to pay.

Mr. Munro (Hamilton East): Mr. Speaker, may I interrupt the hon. member for a second or two and ask the House if it is willing to suspend private members' hour so that we can continue the present discussion?

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: No.

Mr. Deputy Speaker: The minister's suggestion needs the unanimous consent of the House. Apparently there is not unanimous consent. As it is five o'clock, the House will proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and public bills.

Mr. Reid: On a point of order, Mr. Speaker, I think the House is prepared to consider notice of motion No. 23 standing in the name of the hon. member for Abitibi (Mr. Laprise).

Mr. Deputy Speaker: The previous four notices of motions stand at the request of the government. Is this agreed?

Some hon. Members: Agreed.

• (1700)

PRIVATE MEMBERS' MOTIONS

[*Translation*]

OLD AGE SECURITY ACT

SUGGESTION BOTH SPOUSES BE ENTITLED TO PENSION WHEN ONE REACHES PENSIONABLE AGE

Mr. Gérard Laprise (Abitibi) moved:

That, in the opinion of this House, the government should consider the advisability of introducing a measure allowing the spouse of a person receiving a pension by virtue of the Old Age Security Act to be entitled at the same time as his partner to the pension even if his age is lower than the present Act demands.

He said: Mr. Speaker, I take great pleasure in introducing this motion once again, although I should have quite willingly agreed to proceed with the debate already in progress. I had actually given my consent earlier today to the government House leader to the study of an issue which is also very important and which we have been considering since four o'clock. Since there has been no unanimous consent, however, I take great pleasure in launching again the debate this afternoon on the notice of motion under study. Mr. Speaker, I had the opportunity to introduce this notice of motion as early as 1966. I had the opportunity to discuss it in 1967 and 1971.

I am all the happier to discuss this matter once again because some results have come into view, since in the speech from the throne the government announced its intention to adopt in part the motion before us this evening. Besides, I had tabled that motion a few days before the opening of the session.

Mr. Speaker, the motion I moved would allow the spouse of a person of retirement age, that is 65 years, to receive the pension also. The Social Credit party claims that the old age pension should be paid at 60 and that the spouse should be eligible at the same time.

The speech from the throne said that the government would introduce in the fall, that is in October, a bill whereby the spouse of a retired person of 65 would also be entitled to the old age security pension at 60.

However, we have approved that part of the Speech from the Throne, but after questioning the Minister of National Health and Welfare (Mr. Lalonde) and the Prime Minister (Mr. Trudeau) himself, we have had some disappointment, and were rather deceived I would say, because we have found that in the mind of the government, bringing forward such a legislation means that only a few spouses 60 to 65 years old could be qualified, since the government has set some conditions. Among those conditions, there is one dealing with the revenues of one or both spouses.

Now, Mr. Speaker, that will limit considerably the effect of the law. As recently as January, I have seen inspectors visiting old age retirement homes to question pensioners and inform them about the government's plans to this effect. They were told then that those getting revenues would not be entitled to a pension.

Mr. Speaker, I recommend in the motion that every spouse of persons having reached the pension age under the Old Age Security Act be entitled to one without any

investigation. Under the government's present proposal which would become effective in October, only about 10 per cent of the people between 60 and 65 could benefit from such legislation.

Therefore, Mr. Speaker, it would still be a sham law which we refuse. We want comprehensive legislation applicable to everybody between 60 and 65. When the government will agree to lower the pension age to 60, we will also have to look after the spouses still under the pension age.

Now, Mr. Speaker, in the government's mind this legislation will be applied only to spouses but when one will die, the other will no longer be entitled to the old age pension because he or she will no longer be a spouse.

In most cases, women will be involved and lose the old age security pension they obtained at the age of 60. Because of her husband's death, the woman will lose her rights to that old age security pension.

Now the Minister of National Health and Welfare answers that the provinces have a public assistance act providing for those difficulties.

Mr. Speaker, we know how the province of Quebec, in particular, administers the public assistance act. It dispenses it with a dropper. After numerous inquiries, it forces people who seek help from the Social Affairs Ministry to cringe to get a few dollars to be able to survive. That satisfaction the minister finds in the implementation of provincial public assistance acts makes me laugh and should rather make cry when we see how these acts are implemented by the provinces.

Mr. Speaker, I will perhaps be answered as I have been when I presented those bills in 1971 and 1967: "It will be too expensive, of course!" If the calculations are always done in terms of dollar signs, obviously, that will cost a lot. But if every time the government undertakes to do something it always works in terms of dollar signs it would never do anything, and that goes for any government. Mr. Speaker, it is rather a matter of knowing whether an old age security pension can be paid to spouses of pensioners. I feel women 50, 55 or 60 years of age should no longer have to crawl in offices, businesses, at night or early in the morning doing cleaning jobs to earn a few dollars to make both ends meet. Mr. Speaker, I think we can do without that and give those people a decent retirement.

I remember when the leader of the Social Credit Party of Canada and hon. member for Témiscamingue (Mr. Caouette) was asking for a pension of $200 a month for the aged he was ridiculed, called a nut, an idiot. That is nonsense. Yet, now it will be up to $209 effective April—$123.42 in basic pension, and $86.57 in guaranteed income supplement. And a married couple will get $400.42.

Mr. Speaker, that is the way it is. Yet, during the last election campaign, specially within the platform of the Social Credit Party of Canada we asked for pensions for elder citizens from age 60—$3,000, that is $250 a month, and for the spouse under 60, $2,500, that is $5,500 a year for both, for a total of $468 a month.

Mr. Speaker, I think that request was warranted and still is. Today when a person reaches the age of retirement at 65 and the spouse has not yet reached that age one finds

[Mr. Laprise.]

that it is practically impossible to live decently on only one pension. That is why the payment of pensions to both spouses is an immediate need. Waiting until October to implement the legislation, to pass that amendment to the Old Age Security Act, will still be much too late. The government could have acted much more quickly and brought a bill forward as soon as the House reconvened last fall.

Mr. Speaker, we know how difficult it is for couples to get along on one pension. Each spouse should get the pension to enable them to live decently. Those people raised a family and worked for a long time, sometimes for as many as 40 or 45 years. We should make it possible for them to retire, not in poverty, but comfortably. That is what the Social Credit Party has been asking for since its inception. We have always been among the first to call for just social legislation, not only for senior citizens, but also for all classes of society, and we shall keep on doing so until the government agrees to do them justice.

Mr. Speaker, I hope that tonight I shall get more attention especially from the government. When the matter was considered on previous occasions, the opposition was much attentive to what I said, but such was not the attitude of the government.

Last fall, on December 3 to be exact, I moved in the House a supply motion seeking to lower the retirement age at 60. The representative of the Liberal party, the Parliamentary Secretary to the Minister of National Health and Welfare (Miss Campbell) then answered and I quote: "I speak on behalf of the government against the motion proposed by the hon. member for Abitibi who has advocated that the old age security pension be given to any person who has reached the age of 60, as well as to the spouse even if the spouse has not reached pensionable age."

Mr. Speaker, I hope the Liberal party is now more favourably disposed towards the matter and that it will lend an attentive ear to my motion. I also hope that the government will introduce a bill to meet the wishes of all the aged in Canada by setting retirement age at 60, and entitling the spouse to the pension as soon as either one has reached retirement age.

● (1710)

[*English*]

Mr. Frank Maine (Wellington): Mr. Speaker, the intent of the motion is clear. The proposal before us calls upon the government to consider the advisability of amending the Old Age Security Act in order to provide benefits to all spouses of old age security pensioners who have not reached the age of 65. The implications of this proposition are evident. Under the terms of the motion, such non-pensioner spouses would become eligible for the basic pension which currently is $123.42 per month. In addition, eligible married couples would become entitled to the guaranteed income supplement if their joint income required support. The present maximum supplement level for a married couple comes to $76.88 each a month.

The ultimate purpose of the motion can be interpreted as the provision of additional income support to a substantial number of Canadians. I might point out that this very end is one which the federal government has actively pursued: the Government of Canada has been firmly com-

mitted to the principle of ensuring that all Canadians can live in dignity. Various social security plans have been enacted to support the incomes of those least able to provide for themselves. In some cases, benefits have been granted to everyone in a designated group, on a universal basis. The old age security pension is the best example of this sort of program. In other instances, allowances have been given only to those in need. The Canada Assistance Plan constitutes the major scheme of this type in Canada today.

Despite varied modalities of operation, the objective of these programs has been the alleviation of economic distress across the country. Unfortunately, this situation has tended to be pronounced among the elderly as a group in Canadian society. Therefore, the welfare of senior citizens has been of special concern to the government.

Over the years, the federal government has endeavoured constantly to come to terms with the problems confronting our senior citizens. I need only refer hon. members to the establishment of the old age pension plan in 1927, with the co-operation of the provinces, and the creation of the old age security pension program in 1952. These measures are indicative of the resolute action taken by the Government of Canada to resolve difficulties faced by the elderly at different points in our history.

Today, the old age security pension, the universal entitlement, is the base upon which senior citizens rely for their financial support. This program is the focal point of government effort to assist Canadians in their old age. Aware of the role of this scheme in the lives of our senior citizens, the government has striven to adapt the plan to meet the changing requirements of the elderly.

Undoubtedly, the most important changes in the Old Age Security Act have dealt with eligibility and benefit levels. Originally, the requirement was 20 years of residence in Canada immediately preceding the approval of an application for the pension. It was recognized, however, that there would be people who might have lived in this country for a good many years earlier in their lives and who would return to Canada to spend their remaining years after being away for some time. It was felt that the contributions made to this country by such persons should not be overlooked, and that they should not be deprived of pension rights.

A second method of qualifying was therefore devised, permitting persons who had been present in Canada prior to those 20 years for at least twice the length of their period of absence during the basic 20 years to qualify for the pension, provided they had resided in Canada for one full year immediately preceding the day on which their application was approved. In 1957, the basic period of residence was reduced from 20 to 10 years. It followed that the period of make-up time required was correspondingly reduced. In 1965, a third method of qualifying, on the basis of 40 years of residence after the age of 18, was added.

Residence requirements now enable pensions to be paid to applicants who fulfil one of the following criteria: first, having resided in Canada, after attaining the age of 18, for periods which total at least 40 years; second, having resided in Canada for the ten years immediately preceding the approval of an application; third, having been present in Canada, after reaching age 18 and prior to the ten years mentioned above, for periods which equal, when totalled, at least three times the length of absence during the ten-year period and having resided in Canada for at least one year immediately preceding the approval of an application.

● (1720)

In addition, provision was made to permit the payment of benefits outside of Canada to pensioners who have resided in Canada for a total of 20 years after the age of 18. I should add that pensioners who are absent from Canada for a period of up to six months and do not meet this requirement may still receive their old age security. This provision was introduced to permit pensioners without long histories of residence here to take vacations and to avoid the severe Canadian winters.

Another important change was the reduction of the age of eligibility from 70 to 65. The 1965 amendment to the Old Age Security Act provided for the progressive lowering of the age of entitlement one year at a time. In January, 1970, the age requirement reached 65. Nevertheless, perhaps the most noteworthy innovation regarding the Old Age Security Act in the 1960s was the establishment of the guaranteed income supplement to the old age security pension in 1967. This measure can be attributed to the awareness by the government of the unfavourable financial state in which many of our senior citizens have found themselves in recent years. Because of the harsh realities of the depression and the wars, a substantial proportion of Canadians lacked the opportunity to make adequate provision for their old age. In addition, a large number of pensioners were employed in occupations or businesses not covered by private pension plans or superannuation schemes.

The guaranteed income supplement has been paid to pensioners with no income, or only a limited amount of income, for over eight years. This income support has been based solely on an income test; all that is required is a declaration of income somewhat similar to that required for a tax return. I should emphasize that an incentive plan was built into this scheme to avoid causing prejudice to individuals who have made some financial provision for their old age. Supplements have been paid to pensioners to bring their income to a guaranteed minimum. This level currently comes to $209.99 per month for single pensioners, and $200.30 a month each for a married couple. Total supplements have been reduced by only $1 for each $2 of additional income received. With this method of calculating guaranteed income supplement benefits, Canadians have been encouraged to plan financially for their retirement years.

The government has continued to improve income security programs for the elderly. I need only refer to measures enacted within the past few years. As members of this House no doubt remember, the basic old age security pension was increased from $82.88 to $100 effective April, 1973. Moreover, parliament approved legislation in September, 1973, to make benefits under the Old Age Security Act more responsive to the cost of living by adjusting payments quarterly rather than annually. As a result, pensions are now protected against the effects of inflation. Five increases have brought the basic monthly old age security pension from $100 in October, 1973, to $123.42

effective April, 1975. I should stress that guaranteed income supplement benefits have progressed in a similar proportion.

As far as the future is concerned, I draw the attention of the House to the Speech from the Throne that opened this session of parliament. The government intends to introduce legislation to provide for the payment of allowances, on an income tested basis, to spouses aged 60 to 65 of recipients of the old age security pension. This proposal represents an extension of the government's effort to meet the ever evolving needs of senior citizens. With the cooperation of the House, this proposal will become effective later this year.

In this context, therefore, the motion being deliberated should be examined critically. The most obvious shortcoming of this proposal is the fact that the government has already announced its intention to introduce a spouse's allowance. The intended amendment to the Old Age Security Act is ample proof of the due consideration given by the government to this question.

In proposing this amendment to the Old Age Security Act, the government is aware that not all spouses of old age security pensioners who are under the age of 65 will be covered. However, while appreciating the desire of the hon. member for Abitibi (Mr. Laprise) to make the old age security pension more comprehensive, I feel obligated to make the following observations. When considering any extension of social security benefits, the government must take into account its financial resources in relation to its priorities. In addition to the difficulties of pensioners and their spouses, the problems of the disabled, the one-parent families, the working poor and other disadvantaged groups also have to be considered. This is the crux of the matter: because the government must look after the interests of all Canadians, it is required to take a global view in dealing with questions relating to social security. While the old age security program is one of the important ingredients in Canada's social security framework, it must be considered in perspective with other essential elements.

Moreover, the rights of the provinces in the area of social security must also be taken into account. I should remind hon. members that a joint federal-provincial review of the entire social security structure is under way at the present time. The federal government has made its position on this crucial issue clear in its "Working paper on social security in Canada", released in April, 1973. As some hon. members may recall, this orange paper represented a framework of 5 strategies and 14 propositions set out within these categories as the federal government's contribution to the present appraisal of social security. The outcome of this federal-provincial review will influence the future of all social security measures. However, as the needs of the elderly change in response to shifting economic and social forces, the federal government will continue to develop measures to meet the evolving requirements of our senior citizens.

Nevertheless, for the short term at least the Government of Canada has reserved the right to introduce interim adjustments to social security programs to come to terms with the more pressing needs of Canadians. It is in this context that the federal government intends to amend the Old Age Security Act to provide allowances to spouses aged 60 to 65 of old age security pensioners. With concrete action such as this, it is indeed evident that this government is ever mindful of the requirements of the aged.

[Mr. Maine.]

• (1730)

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in my intervention at this time in this debate I wish to congratulate the hon. member for Abitibi (Mr. Laprise) for bringing forward this matter. It is not surprising in these days of increasing inflation that we should turn our attention to the problems of the elderly who are obliged to subsist on marginal income. It therefore is not surprising that this motion should come forward within the restraints imposed on opposition parties.

We may recommend that the government consider the advisability of spending money, but on this side of the House we cannot bring forward a motion which would involve the spending of money. All we can do is urge the government to look into a matter which would involve an expenditure.

In the inflationary spirals in which we are caught up it is important that we should not forget those who have built this country and who have handed it to us. I must say that when the hon. member for Wellington (Mr. Maine) stood up I had hoped he would make a contribution to this debate. However, I found that for the most part he devoted his remarks to a long history of the government's action in this and other things, thus killing the clock.

I do not deny that the government has taken action. It has taken action in certain fields concerning social services. It should take action. Any government worth its salt must take action in this area. But the government did not take sufficient action. The promise of action was—perhaps this is the right word—entombed in the speech from the Throne. This is how one might describe promises made in the Speech from the Throne or at election time. They are forgotten in the House. The hon. member eventually got around to that, and spoke about the concrete action of the government. It is set in concrete; it is absolutely immoveable. This is the reason why the hon. member for Abitibi had to come forward with this motion. It is also the reason why many of us must come forward with similar resolutions in order to get the government off its stump and working for those who are in dire need, particularly now in this inflationary period. Let us get on with the job.

This is not a new motion that has been brought forward by the hon. member for Abitibi. I do not think he claims any novelty in respect of it. It is a worthy device and one which should be examined very carefully by the government. It is one I have no hesitation in supporting. I have stood on my feet here and have spoken on behalf of those who are less favoured, those who are older than I, who no longer are in the work force and who have found their income eroded, carried away and washed out due to the reaction of the government and its attitude concerning inflation. We are talking about this matter because the government has done nothing about it.

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Munro (Esquimalt-Saanich): Carry on. I wish to mention certain elements of this particular subject. I believe a new element should be introduced into this consideration the government is being asked to undertake. I recall that when we were debating the income tax bill I made certain rather sweeping suggestions about eliminating income tax for those who were recipients of the old age pension benefits. The Parliamentary Secretary to the Minister of Finance (Mr. Cullen) at that time kindly put the record straight and I shall put it straight again.

Obviously I was thinking in terms of those in need and not of a general broad sweeping elmination of income tax for all people in this situation. I do suggest here that there should be an age limit in respect of the spouse. This consideration is not directed at the 18-year old, the 19-year old, or the 20-year old who might happen to marry an old age pensioner. It is not the intention that she should benefit from the old age pension. I think there must be a reasonable limitation.

Mr. Knowles (Winnipeg North Centre): You mentioned "she". It could be a young man.

Mr. Munro (Esquimalt-Saanich): I said "spouse". I think the word spouse unfortunately is one of the less phonetic words in English. I wish there were something you could replace it with, Mr. Speaker. I feel there should be a limit below which this particular extention of the pension benefit should not be accorded.

Mr. Knowles (Winnipeg North Centre): If you have two spouses, that would be spice!

Mr. Munro (Esquimalt-Saanich): It could very well be spice, nice spice.

I think there is another limiting factor that should be introduced here. I refer to the length of the marriage. It should not relate to a marriage concluded one year before the old age recipient dies. One should not be permitted to enter such a relationship purely for the purpose of obtaining the pension benefit. I think it should involve a marriage of some duration and one which indicates that the couple planned to live together for a number of years. Then we would have a feature which I believe should commend itself to the government.

I have mentioned the need factor. It should not be too difficult to define the subsistence income level. There must be a means of determining the level below which subsistence is difficult. If there is, then we should be able to define it. It might be $4,000 a year, or $6,000 a year for a couple. I am not sure what it should be, but there must be a limit. Family income also should be taken into account. If the wife should be working and is willing to continue, this should be taken into account. In other words, family income should be taken into account in a determination of subsistence income below which this benefit should be accorded to the spouse.

As was also mentioned by the hon. member for Abitibi, one of the great advantages of according the pension to a younger partner in a marriage is that it would be carried on automatically upon the death of the older partner and the problem of reverting to the welfare rolls, as was mentioned, would not be involved. Those people who are now eligible for the old age pension benefits are those who went through the 1930's. They know, as few others can possibly know, what it means to be on welfare. They do not want to be on welfare. There is a distinction. There is a psychological distinction between being on welfare and being a recipient of the old age pension. People earn the old age pension due to maturity. Being on the welfare rolls is quite another matter, particularly for this generation of our society.

● (1740)

There is another matter that we must always bear in mind, and that is the automatic reduction to 50 per cent of the pension benefits. I am thinking particularly of superannuation benefits, but the reduction to 50 per cent applies generally if the husband—and in this case it does apply when the wife is the succeeding partner—as the recipient of the pension should die.

Somehow or other it has been worked out that 50 per cent of the pension benefit will suffice for the surviving spouse. This is hardly fair. It would apply in the reverse if the recipient of the pension happened to be the wife. If she were to die, presumably the pension of the husband would be cut back to 50 per cent. I have mentioned this on earlier occasions, suggesting that somewhere between 66⅔ per cent and 75 per cent should be the proportion of the pension for people on continued pension benefits of this sort. I earnestly commend this notion again to the government for consideration.

As to the expenditures involved, I think the hon. member who proposed this resolution—and I do not wish to speak for him—should at least be ready to consider the notion that some of the wasteful programs in which the government indulges might be cut back for the benefit of those who have built our society and given it to us in its present form. Those of us who are still in the work force will be able to manage. It is those who are no longer able to make their contribution economically to our society for whom we should have the greater concern. Those who are entering the work force can look after themselves, and they will, I have every confidence. It is those who are beyond the strength and the age to make that contribution whom we must consider in this context.

Therefore I suggest that there are many areas within present government expenditures where funds could be found and administered by the Department of National Health and Welfare much more to the benefit of our society than is being done now in other areas.

There is one final matter that I would like to mention and it has to do with the member of the household who, it has been admitted, generally spends most of her time in the household without receiving much recognition. There is no recognition of the contribution of that partner in a marriage to the gross national product, for example. Yet, so help us, that contribution is huge. One should not think in terms of one person working in the work force—it is a family contribution to the product of whichever person happens to be the breadwinner, because the breadwinner is as nothing in a family arrangement if he comes back to find that there is no one helping him and making it worthwhile to win his bread. Therefore I speak for those who do not have the voice to speak for themselves, and it

is to those people in particular that this resolution is directed.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to add a few words of support for the resolution put forward by the hon. member for Abitibi (Mr. Laprise), as do my colleagues in the NDP. It is about time that such a resolution was brought before the House, and we heartily support it. I believe that we are somewhat late in bringing forward such an important topic for debate in the House. The subject of the debate is our grandfathers and grandmothers who are no longer in the work force, and who have made many contributions to this wonderful country of ours.

Some hon. Members: Hear, hear!

Mr. Firth: I use the terms grandfather and grandmother in the context in which my people, the Indian people in this country, use them. All the people in the Indian, Eskimo and Metis societies after reaching a certain age look at all children as grandchildren, and all the younger generation look to the old people as grandfathers and grandmothers. This is our tradition. We want to make sure that the old people are well looked after. They continue to make their contributions to the community and to the villages in their old age through their teaching of their grandchildren. They are recognized for this, and their grandchildren look up to them and respect them for their wisdom and their knowledge after having lived a long useful life. Therefore I think it is commendable to hear hon. members today speak in support of the resolution of the hon. member for Abitibi.

I will not say much more, Mr. Speaker. I am sure that all hon. members present in the House are aware of the views of my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), on this matter. He has expressed his views in favour of this idea many times before. Not as many of my constituents proportionately are on old age pension as people in other parts of Canada because of the fact that we have a higher death rate in the north. Also my constituents in that age group are having more difficult times than others as a result of the extremely high cost of living in the north.

Therefore I think it is most important that we consider this resolution very seriously, and do what can be done to give these people a certain dignity by showing our appreciation to them for their contribution to all of us. I think this is one area in which we can take some credit for helping these people to enjoy their last years. Certainly there is much that can be done, but I was pleased to hear the good words that have been uttered so far. With that, I thank you, Mr. Speaker.

Mr. C. Douglas (Bruce): Mr. Speaker, first of all I would like to echo some of the statements that we have heard and to point out that much of what is contained in the resolution before us has already been proposed by the government for the start of 1975-76.

Some hon. Members: Hear, hear!

[Mr. Munro (Esquimalt-Saanich).]

Mr. Douglas (Bruce): This matter has been considered by the federal government, and promises in this area have been made in the Speech from the throne.

I should like to add one further comment to what the previous speaker has just said. He mentioned our older people, our senior citizens, our grandmothers and our grandfathers. I think it is only fair to say of them that throughout this country we find in them some of the finest teachers that are available to the young people of Canada today. I hope other schemes can be considered that will put a vast amount of knowledge that has been stored by our senior citizens to a more creative use. I am referring to knowledge about finance, about business, about engineering, and many other aspects of knowledge that we of the younger generation, as well as our children, can use to greatest advantage in the future.

To ensure a balanced debate on the motion under consideration I believe it is necessary to discuss the various measures already developed by the federal government which benefit the elderly. While these programs and policies are by themselves different, they form part of the comprehensive strategy evolved by the government which meets the changing needs of senior citizens.

● (1750)

Perhaps the most important programs relate to ensuring the physical and mental well-being of the aged. Because of the excellent degree of co-operation between the federal government and the provinces in the area of health care, Canada's system of health insurance provides a high level of medical care to senior citizens. Since the establishment of medicare in 1968 with the joint intervention of the federal and provincial levels of government, the elderly in Canada have enjoyed the advantages of comprehensive coverage at little or no cost to them. No longer do senior citizens have to wait to seek care because they cannot afford it. No longer should a serious illness or accident pose a financial catastrophe for either an individual or a family as a whole.

As a consequence of medicare the elderly in Canada have peace of mind which comes from knowing that they enjoy virtually unlimited access to competent medical assistance in times of illness or infirmity. Because senior citizens have a greater tendency than other age groups of Canadians to become afflicted with long-term ailments, they have benefited enormously under medicare.

There are no limits to the number of days of necessary hospital care. There are no ceilings on the frequency of visits to physicians. In addition, no individual Canadian is subject to a personal dollar quota of entitlement to health care.

Another feature of particular concern to the elderly is the involvement of the federal government in the provision of residential care for senior citizens who are ill or infirm. It is a very important type of program being set up by the government in this respect. Under the terms of the Hospital Insurance and Diagnostic Services Act of 1957, the government of Canada has entered into cost-sharing arrangements with the provinces to establish specialized nursing homes, infirmaries, or similar institutions geared to the requirements of the elderly. This scheme has proved

of inestimable value to the chronically ill and infirm across Canada.

In the area of housing great strides have been made to provide decent accommodation for the aged. Under the National Housing Act the federal government has actively promoted the construction of new dwellings and the repair and modernization of existing housing. This is of great importance to many areas of our country, including some areas in my riding, and areas in the far north where housing can now be brought closer to some form of a decent living standard.

Assistance for the construction of subsidized public housing has constituted an essential element of this program as well. On a shared-cost basis with the provinces and municipalities the federal government has financed the construction of public housing units and hostel accommodation which has given proper shelter to disadvantaged senior citizens.

In addition, with the co-operation of provincial and municipal governments as well as private entrepreneurs, the Government of Canada has made accommodation available to Canadians on a rent-to-income basis. Senior citizens who cannot afford open market rentals and who are ineligible for public housing have benefited greatly from this scheme as well.

Moreover, the National Housing Act has provided direct subsidies to low-income homeowners for the rehabilitation of private sub-standard dwellings in areas selected for neighbourhood improvement, which takes in the large cities. Eligible senior citizens have found this provision of value to them as well.

The Canada Assistance Plan represents another essential element in Canada's social security framework of benefit to the aged. This scheme complements aspects of social security measures which are currently not covered by specific federal legislation.

The Canada Assistance Plan is the vehicle by which the federal government shares with the provinces the cost of specified assistance to economically disadvantaged Canadians on a 50-50 basis. The granting of aid is determined by a needs or budget deficit test which takes into consideration a person's requirements in relation to his or her available resources. Through the establishment of national norms the Canada Assistance Plan has enabled recipients to maintain a decent standard of living with the help of programs administered directly by the provinces. As a result of its single administrative infrastructure the Canada Assistance Plan has been able to respond with flexibility to the changing requirements of Canadians.

An important facet of the Canada Assistance Plan relates to supplementary medical benefits. The provinces may provide medical aid excluded under the terms of medicare to eligible Canadians in order to ensure their physical and mental well-being. As we grow older our physical well-being is of prime importance, but our mental well-being is of the utmost importance. Prescription drugs, eyeglasses, hearing aids, and even transportation to and from treatment centres are many of the items relating to medical care covered on a shared-cost basis between the Government of Canada and the provinces.

Moreover, certain forms of residential care which are excluded under the terms of the Hospital Insurance and Diagnostic Services Act are also subsidized by the Canada Assistance Plan. This is for persons who are deemed by the provincial governments to be in need. The establishments, maintenance and operation of nursing homes and residences for the aged, sponsored by the federal government on a 50 per cent basis, has benefited senior citizens enormously. As a result the elderly have been provided with the means with which to live in dignity.

It should be added that the Canada Assistance Plan permits the provinces to provide income support to senior citizens in addition to benefits available under the current income security programs. With such supplementation the elderly can meet minimum personal budgetary requirements essential to a decent level of living. Perhaps I should call it six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Penner): Order, please. The hour appointed for the consideration of private members' business has expired, and I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

WEST COAST PORTS OPERATIONS ACT, 1975

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING OPERATIONS ON THE WEST COAST

The House resumed consideration of the motion of Mr. Munro (Hamilton East) that Bill C-56, to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada, be read the second time and referred to committee of the whole.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, when the debate was adjourned at five o'clock I was pointing out that the legislation before us asked parliament to give to the government very extraordinary powers—powers to send men back to work and place in the hands of a government appointed arbitrator the whole question of what their income will be for themselves, their wives and their families, for the next two years. Those are very extensive powers. They are powers which we do not exercise with respect to any other group in our society.

We do not tell manufacturers that they have to sell their commodity at a certain price and that they cannot withhold it from the market if they do not get the price they want. We do not tell farmers or any other group in our society that they cannot withhold their product but must sell it at a price set by someone else.

In the case of workers in an emergency situation such as the one we have here, parliament takes upon itself the power to send workers back to the job and asks them to leave to someone appointed by the government the right to determine the wages and conditions under which they will work. I say that that is a very extraordinary power. And yet in this particular circumstance, and there have been other similar circumstances, the effect of a strike is so harmful to the nation as a whole, so detrimental to the national interest that parliament has been justified in taking such a step. In the particular instance before us we in the New Democratic Party feel that parliament is justified in bringing this strike to an end in order that the people who have been adversely affected by it may get some amelioration of their condition.

The plea I have been making is that in wielding this extraordinary power we ought to do it with all the justice and all the fairness of which we are capable. During the supper hour I listened to the Minister of Labour (Mr. Munro) on a television clip saying he was most reluctant to introduce legislation like this. I suppose he is reluctant; I am sure we are all reluctant about having to resort to legislation which imposes compulsory arbitration.

All I am pleading for with the minister is that he accompany his reluctance with a measure which will at least give to the workers who are being sent back to their jobs a feeling that we recognize that they have a measure of justice on their side and that, as a result of this legislation, they will not get less income during the next two years than they would have received if they had stayed out on strike and forced a settlement.

I do not suppose any arbitrator appointed by the government would be so insensitive to the situation that he would bring down a settlement which would give to the workers less than was offered last week by the employers. But we have no guarantee of that, Mr. Speaker. The government has no guarantee of it. Once the government appoints an arbitrator under this legislation the matter is entirely out of its hands. That arbitrator will be able to set wages and conditions of labour that, under this bill, automatically become the collective bargaining agreement for the two years 1975 and 1976.

I cannot imagine any arbitrator being so stupid as to bring down legislation which would give these workers less than they have already been offered and less than they have rejected. But the Minister of Labour has no guarantee of that, I have no guarantee of that, and no other member of the House has any guarantee of it. What we are urging is that when we get into committee of the whole the government should give very serious consideration to stipulating some minimum figure which the workers will get irrespective of the decisions of the government arbitrator.

I want to point out, Mr. Speaker, that when employers and employees begin to bargain on any collective agreement they usually start out with the employees asking for a fairly high increase and the employers offering a very low increase. During the process of negotiation they come closer and closer together. In hundreds upon hundreds of cases throughout this country every year they keep coming closer together, until they get a settlement without any strike.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

We make a great deal of fuss about strikes. Certainly they are unsettling and none of us like to see them, but we forget that there are hundreds upon hundreds of agreements settled by peaceful negotiation between employer and employee. However, there are times when they get fairly close together but are not able to close the gap. When they cannot close the gap, then we have a strike.

When we force compulsory arbitration it seems to me that what ought to be submitted for arbitration is the gap between what the workers have asked for in their final submission and what the employer has offered in his final submission. It is much easier for an arbitrator to arbitrate the gap between the two competing parties than it is to do what this legislation does, send them back to square one and let them start all over again.

If the government were to accept our proposal and put in this legislation a provision that the arbitrator would start with what the companies offer as a floor, the arbitrator might well decide that the companies have offered all that is fair and reasonable. He may decide the union's bargaining committee were wise in accepting that offer and, therefore, that there is no additional money coming as a result of arbitration. Surely, if he is to decide they are entitled to more, he will decide after an exhaustive examination of the situation. Only then will he decide that workers are entitled to more than was offered. If our proposal is accepted, the workers being forced back to work will know they will not be deprived of gains they made in negotiations.

● (2010)

An hon. Member: But they don't want to go back to work.

Mr. Douglas (Nanaimo-Cowichan-The Islands): An hon. member opposite me says the workers don't want to go back to work. That is the sort of claptrap you hear from Liberal backbenchers, most of whom never worked, never were on strike, and know nothing about the problems of workers. Only they want to work. They are the only people who want to work.

An hon. Member: Tell us about the strikes you were involved in.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The remarks of members who think workers love to stay off their job and leave wives and children without income show, more clearly than anything that has been said, the anti-labour attitude of the Liberal party.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Condon: Mr. Speaker, I rise on a point of order. I suggest to the hon. member that many members of parliament have worked in factories, have been union men, and have gone through hard times. I resent his statement. It is obvious he knows little about the backbenchers on my side of this House.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, if the hon. member is right he had better talk to some Liberal backbenchers who sit opposite my party and who interrupted my remarks by suggesting workers don't want to go back to work. He had better talk to them and ask them whether workers in this country are staying out on strike because—

Mr. Stollery: On a point of order, Mr. Speaker—

Mr. Condon: Mr. Speaker, I rise on a further point of order.

Mr. Deputy Speaker: Order, please. I do not wish to stop hon. members raising points of order; I know that the hon. member who has the floor is perhaps inviting them. I think it would be better if hon. members would argue their case when they make their own speeches, after the hon. member who has the floor finishes his remarks. Now I shall hear the hon. member's point of order.

Mr. Condon: Mr. Speaker, if the hon. member would like me to move my seat to my right in this House, that would be all right with me if he could arrange it with the Whip.

Mr. Douglas (Namaimo-Cowichan-The Islands): Mr. Speaker, I think the Liberal party has moved to the right far enough, and should not be invited to move any farther to the right.

If hon. members who interrupted me by saying workers don't want to work want to demonstrate the truth of their statement, let them take part in this debate. I doubt if they can demonstrate the correctness of their statement.

The hon. member for Calgary North (Mr. Woolliams) a while ago asked if it is possible to devise a technique for eliminating strikes. I am sure everyone would be glad if a technique for eliminating strikes could be devised, particularly strikes in key industries. We, in my party, have never believed that imposing compulsory arbitration on workers is a satisfactory way of preventing strikes. In the final analysis, you can pass laws but you cannot make men and women work unless they feel they are working under fair conditions for fair and reasonable wages.

Many countries have tried to find the solution to industrial disputes, and Sweden has probably come closer to success than any other country. Sweden has not experienced a major strike since the 1930's. I do not suggest we can transplant the Swedish System to Canada; conditions are different. But we can learn important lessons from the Swedes. They have restructured their society, set up labour courts which are acceptable both to employer and employee and, most important, introduced a system of income distribution under which workers know they are getting a fair share of increased productivity and increased national wealth. If this government, this country, makes sure that workers and farmers get a fair share of our wealth production, we will see fewer industrial strikes.

But when workers read in the newspapers about the astronomical increases in profits which have taken place in this country in the last two or three years and then see their real incomes shrinking—the Canadian Labour Congress delegation to the government this morning pointed out that the incomes of many workers in real dollars have actually shrunk in the last three years—it is not surprising they go on strike. We will get rid of strikes only when we improve our system of social justice and bring about more equity in this country.

Mr. Munro (Hamilton East): Mr. Speaker—

Mr. Deputy Speaker: Is the minister rising to close the debate?

Mr. Munro (Hamilton East): No, Mr. Speaker.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, the House has not dealt with two aspects of this legislation. There are two parts to this bill. The first part deals with longshoremen and the second with supervisory longshoremen, the members of the International Longshoremen's and Warehousemen's Union, Ship and Dock Foremen, Local 514. I do not suppose hon. members know that the members of the latter union have been on strike for only two or three days. For 14 years the members of that union attempted to obtain collective bargaining rights on the coast; they were within 20 minutes of concluding their first contract when, suddenly, negotiations blew up. The employers decided there was no point in continuing bargaining because of what the other longshoremen had decided. I point out that these foremen were operating under voluntary conditions; they were not working under any collective agreement.

An hon. Member: How much are they getting?

Mr. Leggatt: An hon. member asks how high are their wages. I think they are getting one third more than ordinary longshormen, but less than members of parliament. We must look at one aspect of this bill carefully. My party has never ruled out the necessity for legislation in the proper circumstances.

Please bear in mind that this union has been on strike for only two or three days. It has tried for 12 or 14 years to gain recognition. It settled with its employers all except two minor points in collective bargaining. I hope the government is aware of this, and knows what it is doing to that particular union. The union complained that two foremen who had been fired were not rehired. It felt those two individuals had been fired unjustly. Because this bill has been introduced the chances for having those two people rehired have been completely destroyed.

● (2020)

Before this legislation came in, Alex Cregan, president of the B.C. Maritime Employers Association, said:

> If the government intervenes, it should do so in a sensible way that doesn't leave lasting scars.

That was said by the representative of the employers, not a representative of the longshoremen and not a representative of the foremen. I ask the government to consider whether this kind of legislation will leave lasting scars. Will it make conditions on the docks worse? Will it be more difficult to achieve a settlement on the docks? To ask these men to return without anything in the pot, and without improving their contract one iota, is doing exactly

that about which the employer's representative is frightened.

The situation is now being scarred with what is really a brutal bill rather than one that at least goes part way to sweeten the pot. Therefore I hope we will not be faced with difficulties in terms of having these men return to work. They have nothing except the hope that an arbitrator will deal fairly with them. After all of the negotiating that has gone on, there is nothing here to give the men a great deal of confidence that they will be dealt with properly.

An hon. Member: What are they earning now?

Mr. Leggatt: Someone has asked what they are now earning. I suggest that in our society everybody's grass looks a little greener. Therefore we should not be worrying about what they are now earning. That is not the point. The point is that we in this House should be careful to bring forward legislation which will make conditions better, not worse. Therefore I have some reservation about the effect this bill will have in terms of the relationship between the longshoremen and their employers.

Mr. Deputy Speaker: Before I recognize the hon. minister I must inform hon. members that if the minister speaks at this time he will close the debate.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I want to thank all hon. members, particularly those who spoke in this debate, for the speed at which they dealt with this legislation and the general support it has received. I will not prolong the debate by stretching out my remarks. I intend only to comment on some of the observations made by some members of the New Democratic Party.

It is our hope that an arbitrator will be appointed very soon and that he will deal with the matter very quickly. The way the bill is drafted it ensures that any award of the arbitrator will be retroactive to the termination of the last agreement, December 31. Therefore, if retroactivity is assured and if the House is prepared to accept our assurance that a competent arbitrator will be appointed and will render a decision quickly—

Mr. Douglas (Nanaimo-Cowichan-The Islands): How quickly?

Mr. Munro (Hamilton East): As I understand it there may be an amendment coming that will ensure this will be done within a very short period of time. If this is done I do not think we can justify the fear that has been expressed by some in the NDP that the men will not get a fair and reasonable increment as a result of the process, or that they somehow run a real risk of getting less than they could have arrived at by way of agreement a few days ago.

No one can give guarantees in this area. I do not think the system was meant to provide guarantees. Indeed, if it were, parliament would be merely another step in the process. It would be a step that would be constantly referred to by all the parties, and why not, if they can get a guarantee from parliament? The role of the union negotiator as well as that of the negotiator for the employer would be totally undermined. There would be no incentive or inducement toward any settlement the negotiator might be able to work out with an employer, even under the most favourable circumstances. There is no reason why that should be acceptable. Therefore we should consider very carefully what is being suggested by the NDP.

The NDP's suggestion emanates from a fear that an injustice will be created. It emanates from the feeling that the men are being ordered back to work and a right to which they are entitled is being denied them, namely, to withhold their work. For those two reasons they feel a guarantee would be proper.

If we accept their argument, a guarantee would be self-defeating to the whole process of collective bargaining. It would be self-defeating in the future to the role of the union as well in future negotiations. I ask them to accept the assurance that a competent arbitrator will be appointed and he will render a decision quickly. As I say, the bill does provide that any award will be retroactive to the termination of the last agreement.

Mr. Alexander: Mr. Speaker, I know the debate is finished, but I wonder if I could be permitted to ask the minister a question. I am concerned about the retroactivity portion of the bill. I want the minister to show me where it is in the bill. I think it is clause 5(2). Is that the retroactivity part?

Mr. Munro (Hamilton East): Mr. Speaker, I would advise the hon. member that is correct. The January 1, 1975 date in clause 5(1) by virtue of clause 5(2) does bind the arbitrator to make his award retroactive to that date.

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

Some hon. Members: Agreed.

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

Clauses 2 to 4 inclusive agreed to.

On clause 5—*Term of collective agreement extended.*

Mr. Stanfield: Mr. Chairman, I wish to be certain as to the answer given by the Minister of Labour with regard to the possible retroactivity of an award by the arbitrator. I took a quick look through the bill this afternoon. Clause 5 doesn't seem to do that unless there is something in Part V of the Canada Labour Code which has that effect. Clause 5(1) simply provides that the existing collective agreement shall continue until the new collective agreement comes into operation. Unless modified by some other part of the bill the award of the arbitrator would not be retroactive, because under 5(1) the existing collective agreement is extended.

● (2030)

I am not suggesting that the Minister of Labour is not right. I assume he is, since there have been a number of similar bills and the government draftsmen presumably know what they are doing this time. But before the bill is passed I should like to be certain that the arbitrator can in fact make his award retroactive to the expiration of the old agreement, which was December 31, 1974, or at least to

January 1, 1975. We would look foolish if, having passed the bill, we were to find that what the minister intended was not set out in the legislation.

Mr. Munro (Hamilton East): I would direct the hon. gentleman's attention to subclause 2 of clause 5, and further to clause 8, where he will find the words "the collective agreements as so amended constitutes a new collective agreement which will have effect on and from January 1, 1975." He will find those words in clause 8(1).

Mr. Alexander: I have a point to raise, Mr. Chairman, in connection with clause 4.

An hon. Member: We are on clause 5.

Mr. Alexander: I just wanted to make one point. I notice that in clause 4(1) the phrase used is "Forthwith upon the coming into force of this Part, each company shall resume longshoring . . ." On the other hand, subclause (4) contains no such construction. It does not say "Forthwith upon the coming into force of this Part . . ." on. I am wondering why the word "Forthwith" and the rest of the phrase is not used in the latter subclause which applies to the employees.

Mr. Munro (Hamilton East): The explanation, I understand, is that the first act which must be undertaken is the act of the companies in summoning the employees. Once this is done, the rest follows.

The Chairman: Order. I think we should proceed in an orderly way. The committee has already considered clause 4. The Chair will seek the unanimous consent of the committee to allow the hon. member to ask questions on clause 4. If we do not proceed in this way other hon. members may well ask to go back to clauses 2 or 3, in which case we would get nowhere at all.

Has the hon. member consent to ask questions on clause 4?

Some hon. Members: Agreed.

Mr. Alexander: I want to thank the committee. I am seeking information. I am not impressed with the minister's answer although I know he gave it in all sincerity. The words "Forthwith" and so on apply to the company, and I do not agree it carries an implication that the employees will forthwith return.

Mr. Munro (Hamilton East): Let me put it this way. The only explanation we have, and I think it is a reasonable one, is that, immediately the bill passes, the employees cannot all turn up for work until the employer calls them. The employer has to be required to call them as the first step in the process. Thus, we have said that forthwith upon the coming into force of this part each company shall resume longshoring and related operations. The "forthwith" applies to the company. To show that the next step is consequent upon the action of the companies I would refer the hon. member to subclause (4) where it is stated, referring to employees, that they shall, "when so required", return to the duties of their employment.

Mr. Alexander: I did notice those words in there, too, but in my view the word "forthwith" equally applies. It would read that the employee "shall, when so required, forthwith return to the duties of his employment."

Mr. Fairweather: There is a fairly easy solution. If the draftsmen will allow the enumeration (1) to follow the "part", then "forthwith" will clearly apply to each of the succeeding subclauses. In other words move the (1) from where it is and say: "Forthwith upon the coming into force of this part (1) of each of . . . (2) each person . . . (3) each officer . . . In this way we are not differentiating between the company and the employees. It is a simple way out. Why does the minister not adopt it?

Mr. Munro (Hamilton East): I have no objection, except that it would mean making certain other alterations. The word "forthwith" already appears in subclause (2). It is in the fourth line from the bottom.

Mr. Fairweather: It would mean tidier drafting.

Mr. Munro (Hamilton East): If it makes for tidier drafting, let us do it in the way the hon. member has suggested and leave it to us to make the necessary corrections.

Some hon. Members: Agreed.

The Chairman: While the minister is examining this belated correction to clause 4 perhaps we should proceed to consider clause 5. I will recognize the hon. member for Oshawa-Whitby.

Mr. Broadbent: I have an amendment to move to clause 5. I shall explain it later. I move:

That clause 5 be amended, by the addition after line 5 on page 4, of the following subclause:

5(3) Notwithstanding any other provisions of this act, the collective agreement is hereby modified by an increase of $1.15 on the existing base rate for the 12-month period beginning January 1, 1975.

I should like to explain the amendment in the hope that I can persuade the Minister of Labour and his colleagues to accept it. As I said on behalf of my party at the outset of the debate, we feel that if we are to compel workers to go back to work and lose the right to strike in the interests of the country as a whole, some form of immediate compensation should be paid to them. We agree, as our vote just indicated, with the principle involved, that of bringing the strike to an end. That is not in dispute. What makes us unhappy about the bill is that there is no guarantee that the minimum wage settlement agreed to by the negotiating parties will result from the award of the arbitrator. The minister's argument in reply to our general suggestion was that if parliament legislated a base, this would undermine the collective bargaining process. I say that the minister's argument would have force if parliament were legislating a total package.

● (2040)

If the whole range of issues in dispute and negotiated by the two parties were used as a base, then of course it follows that none of the workers in any collective bargaining unit would be willing to accept any agreement negotiated by their own negotiators, because they would rely on the final stamp of parliament which would establish a base rate—this is the logic used by the minister—and

therefore the workers would always hope for a better settlement from an arbitration appointed by parliament. The argument is that they could not lose.

The specific proposal which I will be making on behalf of our party does not undermine the collective bargaining process. By referring to the 1975 period only, three months of which have already gone, what it does is provide the assurance to the workers that their wages, which are now related to the cost of living in 1972, will be increased by the rate agreed to by the parties involved. The amendment I propose, of a $1.15 increase for the 12-month period beginning January 1 of this year and ending December 31, 1975, is the sum agreed to by the two parties to the negotiations.

One category of workers the implementation of whose right to strike we are now taking away has been on strike for only two days, as has already been pointed out. Therefore, the very least we can do, since we are going to have a two-year package in the final arbitrated settlement, is to say that for one of these two years we will guarantee the workers a base below which the arbitrator cannot fall. As I say, that is surely the least we can do for these workers who, like everybody else, have been trying to cope with inflation.

We do not know how long it will be before the arbitrator makes his award. It could take a number of months, though I shall be proposing an amendment shortly to another clause—which the minister has indicated he will agree to—restricting the period to three months. As I say, three months of this year have already passed, so we could be six months into 1975 before the arbitrator finishes work, and during this time the families of these men will still be living on wage rates that were negotiated in 1972.

I appeal to the minister to consider the logic of his own argument. If we were proposing a total package which had been accepted by the two negotiating groups but turned down by the workers, then I am with the minister: it would undermine the collective bargaining process. But the proposal I make on behalf of our party does not do that. It is making a recommendation in order to meet the immediate needs of these workers and to provide them with some reasonable compensation for our taking away their right to strike. I hope that the minister and the Conservative Party will see their way clear to accepting what I think is a reasonable proposal.

Mr. Munro (Hamilton East): Mr. Chairman, it is my desire, as well as the desire of all hon. members on this side, in discussing this particular issue to be as co-operative as possible, and second, to minimize any confrontation on a question of this kind. We are as conscious as the House leader of the New Democratic Party that it is necessary that there be compliance with this legislation once it passes. We are aware that this compliance has to take place after the implementation of a right has been denied, so we will endeavour to try to be as reasonable as possible in the circumstances.

Having said that, there is still an honest difference of opinion between the hon. member and those of us on this side. That honest difference of opinion centres upon the implementation of the first year's agreement in terms of the wage package. If a floor of $1.15 were established for the first year, I say that a good deal of the logic I expressed earlier, and which the hon. member for Oshawa-Whitby identified, still applies: it remains to a very large degree unimpaired. If I am correct about that, then I do not think we would want to run the risk of undermining the collective bargaining system, which I still feel is a successful one and the only one we want in a democratic society. If we should impair that system by amendments of this kind to the point where even further resort to parliament might be had in the future, then I cannot think of anything that the enemies of free collective bargaining would resort to more quickly in terms of trying to find a substitute method of resolving disputes. I still feel this is the best way, and I am sure hon. members opposite agree with that.

[Mr. Broadbent.]

Having said that, let me indicate that although we cannot agree with this particular amendment of the NDP regarding $1.15 for the first year, this is not to say that we are not concerned that the men and women employees should be treated fairly in the circumstances. In all sincerity, let me tell the leader of the NDP that the forthcoming amendment that he has indicated he will move, setting a time limit for the arbitrator to render a decision, is still the most satisfactory way of accomplishing this.

I think the leader of the New Democratic Party suggested a period of three months. In view of the fact that we cannot agree to the amendment that the leader of the New Democratic Party has just advanced, in a spirit of co-operation, since we can see the fairness that will be assured by imposing a time limit, let me suggest that we shorten the period. Perhaps it is unreasonable to force these workers back to work at their old rate of pay prior to December 31 and then ask them to wait another three months before the arbitrator brings in his award, so perhaps the hon. member would think in terms of making his amendment two months instead of three. If that were the case, I think we would find that agreeable. Most competent arbitrators who are appointed in a situation such as this like to get underway with their job and deal with it with dispatch, and this is what we want in this particular case.

The Chairman: Before I recognize the hon. member for Nanaimo-Cowichan-The Islands I did not put the amendment moved by the hon. member for Oshawa-Whitby since he invited the minister to comment upon it. I would invite the hon. member to make his comments, but perhaps the hon. member would wish me to put the amendment to the committee at this time. The hon. member for Oshawa-Whitby moved:

● (2050)

That clause 5 be amended by the addition, after line 5 on page 4, of the following subclause.

"5(3) Notwithstanding any other provisions of this act, the collective agreement is hereby modified by an increase of $1.15 on the existing base rate for the 12-month period beginning January 1, 1975."

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, the minister has based his rejection of the amendment on the case that this would interfere with the principle of collective bargaining. I wish to point out to him, however, that this is not a new procedure in so far as the government is concerned. I have before me Bill C-12 which was introduced to deal with the grain handlers'

strike. At that time the government, in sending the grain handlers back to work—and we supported the government because we thought it was necessary to bring that strike to an end—introduced legislation which in clause 4 subclause (2) provided:

(2) Upon the coming into force of this act, the terms and conditions of each collective agreement to which this act applies are amended by

(a) increasing each hourly basic rate of wages in effect on November 30, 1973, as established by or pursuant to such agreement, by 87 cents an hour effective December 1, 1973, as recommended in the report of the conciliation commissioner that was received by the Minister of Labour on April 29, 1974; and

(b) incorporating therein, in addition to the increase in each hourly basic rate of wages referred to in paragraph (a), the other amendments recommended thereto and contained in that report.

It is true that the minister will say that in that case there was a conciliation board. Of course there was; but the conciliation board report in that respect had been accepted by the employees and had been rejected by the employers. In the case now before us, the longshoremen's strike, the tentative agreement which was reached had been accepted by the employers but in the case of the union, while the bargaining committee had accepted it, it was rejected by the membership. I can see no reason why the minister should argue in respect of the case made by my colleague the hon. member for Oshawa-Whitby that we would be interfering with the process of collective bargaining.

Mr. Munro (Hamilton East) I should like to point out to the hon. member that to make his analogy pure he would have to be suggesting that in this particular case $1.15 and, I believe, 80 cents in the second year, be the settlement, not the floor, because in the grain handlers' situation we made the commissioner's report the final settlement; it was not the floor.

Mr. Brewin: Mr. Chairman, I wish to say just a sentence or two in support of the amendment. It seems to me that if these employees are sent back to work now by parliament, without any immediate improvement at all of wages negotiated by the parties and an agreement arrived at, there is a very grave danger of the whole purpose of this legislation being defeated.

Mr. Leggatt: Mr. Chairman, I wish to comment on the minister's concern about this amendment being destructive of the collective bargaining process. In fact, the amendment is not an attempt to impose the rejected package. That is why I submit to the minister it is a reasoned amendment in that it is not destructive but merely attempts to move in a significant direction toward the position of the employees in order to make effective the legislation the minister has placed before us. What we are concerned about is that the legislation, since it does not move in that direction, may not accomplish the purpose. I would point out; by the way, that this was accepted by the employers.

The Chairman: Is the House ready for the question?

Some hon. Members: Question.

Amendment (Mr. Broadbent) negatived: Yeas, 11; Nays, 84.

Clause agreed to.

Clause 6 agreed to.

On clause 7—*Arbitration.*

Mr. Broadbent: Mr. Chairman, I hope the vote on this one is a little different. I should like to move:

That clause 7 be amended by adding the following subclause (3) after line 35 on page 4.

"(3) Notwithstanding any other provision of this act or of the Canada Labour Code, the arbitrator shall be required to decide all matters referred to him under this part within 60 days of his appointment."

The reason, very briefly—because we covered the ground in the general debate and on the other amendment—is that a 60-day period is the maximum amount of time we could allow an arbitrator to do the work required on the containerization issue. It should be adequate to deal with that, and adequate for the purpose of coming up with an equitable proposal in terms of a wage settlement, particularly so that workers can get a retroactive settlement quickly instead of having to wait an indefinite period into the future. Notwithstanding the minister's assurances that the arbitrator would be requested to act with haste, I think it is better to have it embodied in the bill so that we know that will be done.

● (2100)

Mr. Munro (Hamilton East): The only comment I have to make on that is that we too—and I understand that this is agreeable to the official opposition—feel that this will ensure a rapid decision from the arbitrator. We also feel, as I indicated earlier, that this is the answer rather than the previous amendment because we feel that the men will be assured, not only of a rapid settlement but of a fair and equitable one, and we are concerned about that. We hope that the NDP will accept our assurance that this will be ensured, also because of the concern that we want compliance in this respect. If it is any consolation, let me say it is not our intention to appoint either a stupid or an insensitive arbitrator in this case.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It should be pointed out in the committee that while this amendment will, it is true, ensure a fairly speedy decision, there is nothing in it which the government is prepared to accept that will guarantee a fair and equitable settlement, as the minister just said.

Amendment (Mr. Broadbent) agreed to.

Clause 7, as amended agreed to.

Clauses 8 and 9 agreed to.

On clause 10—*Longshoring operations to be resumed.*

Mr. Alexander: Mr. Chairman, you will notice that in clause 10(1) the word "forthwith", as in clause 4(1), is used with respect to the company, whereas in clause 10(3) the same word is used with respect to those who are ordinarily employed in supervisory longshoring or related operations. Perhaps there was a mistake in the drafting.

The Chairman: The point made by the hon. member is well taken, but I do not think that an exchange between the minister and the hon. member will correct the situation, unless the Chair received a copy of the modification to which he is referring.

Mr. Alexander: I understand that the minister has an amendment to clause 4(4) which he will propose a little later. We will be returning to that clause later in order to make clauses 4 and 10 consistent.

Mr. Munro (Hamilton East): Yes, Mr. Chairman, we will come back to that at the end.

Clause agreed to.

On clause 11—*Terms of employment.*

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I rise on a point of clarification. Perhaps there is something to be said for having my comment on the record. In clause 11(2) there is an understanding that "except with the agreement of the union, no company shall . . ." In working arrangements there are reciprocal rights and obligations. Can the minister assure us that the obligations upon the union not to alter conditions are as binding as those upon the company?

Mr. Munro (Hamilton East): Yes, because in fact if there is no collective agreement the union has no rights at all. That is why this applies only to the company.

Mr. Munro (Esquimalt-Saanich): This does not quite clarify the matter. There is something, for instance, in clause 6(b) with relation to the definition. I think it is there all right, but I want to be absolutely sure.

Mr. Munro (Hamilton East): There never was a collective agreement with the foremen, so they had no rights. With the longshoremen there was an existing collective agreement, so they had rights. Earlier on in the bill we refer to longshoremen. In clause 11(2) we refer to foremen. They became certified a few months ago.

Clause agreed to.

Clause 12 Agreed to.

On clause 13—*Arbitration.*

Mr. Alexander: Mr. Chairman, I rise on a point of clarification. I am sure that the minister or his assistants can explain it to me. The clause states that "An arbitrator appointed under subsection (1) has, with such modifications as the circumstances require . . ." I do not know what that part of the clause means, particularly when reference is made to "all the powers and duties of an arbitrator under section 157 of the Canada Labour Code". What kind of modifications are they and what type of circumstances will allow an arbitrator to bring in the modifications envisaged by the minister?

Mr. Munro (Hamilton East): I can double check this and we could come back to it later, Mr. Chairman, but I think the answer lies somewhere along the following lines. Section 157 gives the arbitrator the power to summon witnesses, and so on, if he decides he wants to resort to those powers, but most arbitrators prefer a much more informal procedure and do not resort to the powers under section 157. Usually those more informal procedures meet the agreement of the parties concerned. So that is what "with such modifications as the circumstances require" means. It means that he can resort to more informal procedures than those set out in section 157.

[The Chairman.]

• (2110)

Mr. Alexander: I take it that the minister has indicated that the arbitrator would have no further powers or no extension of powers as is referred to in Section 157, but he would have, in any event, less powers in case he wanted to modify. He has no further powers but he could have less. Is that what the minister is stating?

Mr. Munro (Hamilton East): Yes, Mr. Chairman.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise to move an amendment the need for which must be obvious. Clause 13 of this bill is the clause in Part II which corresponds to Clause 7 in Part I. In view of the fact that we moved an amendment to Clause 7 providing for a 60-day limit on the work of the arbitrator in the case of the longshoremen, I suggest that we should also apply the same 60-day limit in the case of the arbitrator dealing with the foremen. I therefore move.

That Clause 13 be amended by adding the following subclause (3) after line 2 on page 8:

(3) Notwithstanding any other provision of this Act or of the Canada Labour Code, the arbitrator shall be required to decide all matters referred to him under this Part within 60 days of his appointment.

That is precisely the same wording we put into Clause 7. I assume that it will be accepted.

Amendment agreed to.

Clause 13, as amended, agreed to.

Clauses 14 and 15 agreed to.

On Clause 16—*Order to comply.*

Mr. Lang: Mr. Chairman, there is a drafting improvement I should like to suggest in relation to clause 16(2). I move:

That clause 16(2) of Bill C-56 be amended by striking out the word "person" where it appears therein and substituting therefor the expression "employer or employee organization".

Mr. Stanfield: Why is that an improvement?

Mr. Lang: Mr. Chairman, the previous subclause refers to "employer or employee organization", and in subclause (2) the word "person" is used. It would be more exact to refer once again to employee or employer organization.

Amendment agreed to.

Clause 16, as amended, agreed to.

On Clause 17—*Order against employer.*

Mr. Lang: Mr. Chairman, I would suggest an amendment to improve the drafting in clause 17(2) as follows:

That Clause 17(2) of Bill C-56 be deleted and the following substituted therefor:

"(2) For the purposes of Clause 16 an employee organization shall be deemed to be a person."

It is simply a simplification in the drafting of that clause, and I so move.

Mr. Fraser: Mr. Chairman, I wonder if the Minister of Justice might clarify this for us. In the definition in Clause 15 employer means a member of the employers association, which, I take it, means an individual. "Employee organization" are the only words used in

Clause 16(1), and I am wondering if that is a situation where an individual employer can be punished under the enforcement section, but that no individual employee could be punished. Is that the effect of this clause?

Mr. Lang: I think that it is an exact parallel in that the unions which might be involved or the various employers associations which might be involved are referred to, so that I think it is an exact parallel.

Mr. Stanfield: Mr. Chairman, I would like the Minister of Justice to consider whether he has not cancelled himself out in these two amendments he has put before us.

Mr. Knowles (Winnipeg North Centre): Not a bad idea.

Mr. Stanfield: If I thought he was really cancelling himself out I would encourage him, but I think he may just be creating some confusion. As I understand it, he has changed Clause 16(2) to eliminate the word "person". In Clause 16 there was a reference to the word "person", but he has taken it out. The purpose of Clause 17(2) is to define what "person" means under Clause 16. There does not seem any longer to be any reference to "person" in Clause 16.

Mr. Lang: Mr. Chairman, I can understand the apparent confusion. The difficulty with the word "person" in clause 16 was that it might have referred to individuals in that particular context, and there was no intention to have it refer to individuals. Therefore clause 16 is now left referring to the organization as far as the employees are concerned, the employee organization. There is, however, a technical problem which courts might face in dealing with the employee organizations in determining whether they are persons for quite a different purpose, persons known to the law, and the purpose of clause 17(2) is to avoid any technical argument about that matter should it later arise, so it is not in their individual capacities.

Mr. Fraser: Mr. Chairman, I want to thank the Minister of Justice for his help, but it seems to me that if one considers clause 15—and I don't want to dwell on this point beyond what is the responsible thing to do—"employer" is defined as a member of the employers association. That must surely refer to an individual. Then under the enforcement section nowhere is the word "employee" used except in the context of an employee organization. Are we in a position where an individual person belonging to an employer organization could be prosecuted in his individual capacity but that no individual employee could be prosecuted at all? Is that what we are getting ourselves into? That does not seem to make sense.

Mr. Lang: No, Mr. Chairman. The point is that within the employers association all of the members themselves are companies. The individual companies are involved there as members of the employers' association, just as within the definition of employee organization, all of the organizations are unions within that definition.

Mr. Alexander: I know that the minister gave an answer, but to remove the fears of the hon. member for Vancouver South would it not help if we stated that "employer" means a member association of the employers' association? Or is that confusing the situation rather than clarifying it?

● (2120)

Mr. Lang: I think those fears are removed by the explanation, and I am not sure the additional word "association" would have any definite meaning.

The Chairman: Shall the amendment carry?

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, to go back to clause 15 and the question that has been raised, surely there is need for an apostrophe somewhere near that "s"—"employers association" in the second and third lines from the end of that clause.

Mr. Lang: I think that is probably right, Mr. Speaker.

The Chairman: Shall the amendment carry?

Amendment (Mr. Lang) agreed to.

Clause 17, as amended, agreed to.

Clause 18 agreed to.

Mr. Lang: Mr. Chairman, I thought we might agree at this point to revert to clause 4 (4), in which case I would move that subclause (4) of clause 4 of Bill C-56 be amended by adding immediately after the word "return" in the fifth line thereof the word "forthwith". That amendment is designed to take the point of the hon. member for Hamilton West.

The Chairman: Is there unanimous consent to revert to clause 4?

Some hon. Members: Agreed.

On clause 4—*Longshoring operations to be resumed.*

The Chairman: Mr. Lang moves:

That subclause (4) of clause 4 of Bill C-56 be amended by adding immediately after the word "return" in the fifth line thereof, the word "forthwith".

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Lang) agreed to.

Clause 4, as amended, agreed to.

Schedule I agreed to.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, did you call clause 18?

The Chairman: I did, unless the hon. member did not hear me. In my mind it was called and adopted, and that is the time when I recognized the hon. Minister of Justice for the purpose of reverting to clause 4.

Schedule II agreed to.

Schedule III agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Penner): When shall the bill be read the third time? Now?

Some hon. Members: By leave.

The Acting Speaker (Mr. Penner): By leave, now.

Mr. Munro (Hamilton East) moved the third reading of the bill.

The Acting Speaker (Mr. Penner): Is it the pleasure of the House to adopt the said motion?

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this may be the first of a number of bills of a similar nature that will have to be moved, and I think we should look closely at some of the problems which were outlined earlier in the day. The question has been asked, with some justification, whether this type of legislation sending people back to work is required because of the commodity involved, the national interest, or the predominance of a particular area? I think the problem is much larger, Mr. Speaker, and I believe if this legislation is successful tonight members will ask the question, why? I do not think that most of the unions or most of the companies in this country want to negotiate by legislation. That, of course, would be an easy way to settle labour disputes.

A number of things are wrong with the legislation we now have, and with the system as well. People in the street are probably saying what a great thing it is that the Post Office strike is over but, Mr. Speaker, the Post Office strike has not started yet, although it probably will in the near future. But the public is so poorly informed that people do not know whether a strike is taking place in one area or another.

I have been concerned, as everyone else has, with Canada's reputation in regard to moving wheat. Problems in this area over the years have been solved by the establishment of a controller. When things have been really bad a controller has been able to settle problems in a matter of a few months because he has had jurisdiction over the whole transportation system as it affects wheat from the country elevator to loading the ship. That has worked in the past.

I think we should look at the whole structure of moving commodities in this country. It is likely that the present grouping is not the correct one. In the last two or three weeks the longshoremen have been on strike, and the government has said, "Let's not settle the public service strike". As long as the longshoremen were negotiating there was no point in settling the strike of the weighers and graders of grain because the grain was not going to move anyway. But there is a relationship between these two fields, Mr. Speaker. I think we should take all steps to prevent having to solve these problems by legislation.

● (2130)

Certainly parliament can force parties to accept the terms of an agreement. But should parliament do that? Should parliament assume the role of an arbitrator in a compulsory arbitration? We have put unions under trusteeship and said we will dissolve the trusteeship when certain conditions are corrected. We can do all these things. But unless our labour laws are changed parliament will continue to be involved in labour settlements. Frankly, I do not think those kinds of settlements satisfy employers, employees, or the requirements of the nation. We need something better. If we ask workers—and this applies equally to Post Office workers and others in the public sector who are now negotiating—to give up certain rights, should we not bend over backwards to see that they are fairly treated? Is that not how we should treat workers whose work is essential for the national economy and public good?

[The Chairman.]

Without question, the worst employer in Canada is the government. It has never learned how to negotiate with employees. For example, consider the recent public utterances of the President of the Treasury Board (Mr. Chrétien). Given what he said, how can government negotiators negotiate in good faith? Before they can offer an extra cent an hour they must consult the minister or a government representative. Or the cabinet may meet and then it instructs the negotiator to offer an extra one or two cents. Such procedure is totally unreasonable. Negotiators ought to deal eyeball to eyeball; one of them should not need to run to the minister for instructions. Such procedure is unsatisfactory. It hampers government negotiators. If we are to see quick settlement we must change the system.

I remember negotiating with the gold mining industry years ago. You negotiated with a manager and he would say, "Yes, I think we can go so far; will you excuse me." He would leave the room and telephone the board of directors in New York or elsewhere and ask if he could raise the company offer by a certain amount. You negotiated with the man on the other side of the table. In the public service, you do not. You do not negotiate with the man sitting across the table; actually you are negotiating, however indirectly, with the cabinet.

An hon. Member: How relevant is all this?

Mr. Peters: Mr. Speaker, the settlement made in the public service the other day was made on the strength of the longshoremen's settlement. I think my remarks are relevant, as they highlight the need for a new negotiating system.

Passing this bill will not solve anything. We need to negotiate a new way, a better way. I expect that the negotiator will consider the memorandum of agreement already submitted and then make an award. I hope the men will accept it and go back to work. Nevertheless, if we are to avoid future trouble we must change the law, change the way we handle labour relations in this country, especially in areas where the public interest is paramount. We should introduce a new system which will satisfy better both the employer and employee.

The federal government does not employ competent negotiators. True, one or two are competent, but the majority, particularly in the Department of Labour, are not. We need better arbitrators and conciliators to work in areas which involve the public interest. We should not allow negotiations to deteriorate to the point at which men go on strike. If ordinary negotiations break down the government should supply competent mediation services. At present it employs people in this role who have not been able to do anything else. Most of them are in that

category. I admit that one or two public service mediators are competent but the majority are not.

Government mediators need proper training and exposure in various mediation fields. Some provincial mediation and negotiation services are better than federal services. I suggest that passage of this bill will not resolve the problem. If hon. members think it will, they will be disillusioned. For the sake of members of parliament and the general well-being of the country, I hope both the workers and employers will come to terms. That, really, is the purpose of this bill. Nevertheless, we must do things differently in future. When necessary we must give the parties competent help, particularly when the public interest is involved. Let us provide assistance which will lead to mutually acceptable agreements. Nothing less will do. After all we are asking both sides to make sacrifices for the sake of the public good and national reputation.

● (2140)

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I want to take a few minutes to make a couple of points which I do not believe have been made today, but have been made on several occasions in the last decade. They concern the matter of ports and, more particularly, grain movement.

It has been brought to the attention of the Minister of Labour (Mr. Munro) and two of his predecessors that the longshoremen have offered to have grain excluded in the handling of cargo during labour disputes in the port of Vancouver. I believe this could apply to a number of other ports as well. Grain could be excluded in a similar way as coal at Robert's Bank is excluded. I am sure the Minister of Labour knows the longshoremen have made this offer several times. They are prepared to work for one employer, whether it be the Canadian Wheat Board, the Board of Grain Commissioners, or the National Harbours Board, although maybe I should not dredge that up.

Some hon. Members: Oh, oh!

Mr. Benjamin: They are prepared to accept fundamental changes in the system under which they have been working. How many lessons does the government have to learn? We have been through tie-ups caused by grainhandlers, weighers and samplers, as well as railroad strikes and walkouts. I do not know how many times these have occurred over the past eight or ten years.

A proposal has been put forward by the longshoremen on at least three or four occasions. The difficulty we have been faced with on each of these occasions could have been dealt with more adequately and more satisfactorily for the farmers, the general public, and those who work handling grain.

Far be it from me or the Minister of Labour to interfere in the internal workings of the different unions. However, I would not be surprised if there was a willingness on the part of the grainhandlers, weighers, samplers and longshoremen to join forces, if not in one union at least in one bargaining unit. This is an area where the Minister of Labour could provide some leadership and encouragement. The Minister of Labour and the government could assist the parties in putting an end to at least this part of the difficulties we are faced with in connection with the movement of grain.

We have been having difficulties in industrial peace in Vancouver harbour, let alone other harbours, which occur in different ways and to different degrees. The leadership has come from some of the workers on several occasions. It has never been followed up by the government or the employers. I want to know why. To be completely cynical, the union has its little group, the employers have their little group, and whenever there is a strike situation the government moves in with ad hoc legislation. If we have to do this six or eight times a decade, obviously that is not good enough.

After our six or seven experiences in the past ten years, I hope the Minister of Labour will sit down with the longshoremen, the grainhandlers, weighers, railroaders and employers' association. The longshoremen have repeatedly said that grain should be removed from general cargo. The issues of automation, and who will handle, fill, unload and load what containers are entirely separate from bulk cargo. They are not even related except for the fact that they occur in the same geographical location.

I do not understand why the government did not get the message years ago. The longshoremen faced up to this a long time ago. They made a proposal that was never taken up. I cannot understand why. If it had been followed up, we would not be in this mess today. I wish to advise the minister and his colleagues that they will get assistance from members on all sides of the House if they do follow it up.

There is a willingness on all sides in Vancouver harbour, and in most other places in the country, to make some fundamental changes with regard to the way the work is performed, who performs it, under what jurisdiction, and who is the employer. Members of parliament might deal with this once every year or so when there happens to be a strike, but these people are on the job every day. They know whereof they speak. Why has this not been grasped by the minister, or by his predecessor who was supposed to be a big wheel in the labour ranks? He never acted on it.

The Saskatchewan Wheat Pool and the Farmers Union looked at this offer made by the longshoremen. Nothing happened. Now we meet again to legislate people back to work, denying them a fundamental right.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) pointed out this afternoon that nobody likes to strike. The first person to get hurt by a strike is the one who goes out on one. This parliament and this government have not yet looked at what causes strikes. Proposals have been made by those who handle grain. There is a willingness to make some fundamental changes, but these have not been followed up. If they are not considered after this fracas, I will lose what little faith I have in the abilities and intentions of the Minister of Labour.

I wanted to make these remarks on third reading of this legislation so that I will not have to do this in a year from now when we are dealing with the grainhandlers, weighers, samplers, railroaders or longshoremen. If the minister wants an independent inquiry, a joint group of employees, employers in government or any other mechanism, the

avenues are there. They have been there for years, but they have not been followed up.

An inquiry into grainhandling has been set up. Are we always going to have ad hoc legislation that flies in the face of what members from all parties in this House desire? These pieces of legislation deal with the matter with great reluctance. They do not get at the root causes of these disputes and strikes. Unless this or any other government deals with the root causes of strikes, people will continue to do things they do not want to do. They will feel they have no other choice. They will feel that no one is listening, and no one is trying to bring them together.

The people on both sides of the quarrel are decent, yet we keep compounding the felony. We let it proceed year in and year out. We still use outmoded concepts and methods. This government always attacks in the wrong way, at the wrong time, and for the wrong reasons. Liberals have a majority; they have an opportunity; they have had it before, but they will not use it.

The Minister of Labour and his officials in his department should sit down with those concerned in Vancouver Harbour, Prince Rupert, Thunder Bay or anywhere else. It makes for good sense and for industrial peace to treat those involved in the movement of bulk commodities differently from those involved in the movement of containers or passenger ships in and out of our seaports. People who work there have been suggesting this for years. I repeat the question: why has nothing happened? Surely some assistance could come in this area from the Minister of Labour and his colleagues.

● (2150)

Mr. Lincoln M. Alexander (Hamilton West): I intend to make one brief comment, Mr. Speaker. I would draw attention to the fact that Bill C-12, which disposed of the grain handling strike and lock-out, contained no provisions for enforcement procedures, whereas the bill now before us does. It seems to me that a precedent has been set—a departure from the practice followed in the other bills, and it has been duly noted. Here, for the first time, to the best of my knowledge, we are being asked to approve of an enforcement procedure. Perhaps the minister, in the course of any statement he might make, would tell the House what has happened in this regard.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, under the provisions of Standing Order 6(5), I move, seconded by the hon. member for Hamilton East (Mr. Munro):

That the provisions of paragraph (3) of Standing Order 6 be suspended in relation to the daily adjournment to permit the completion of the consideration of Bill C-56, and to provide for Royal Assent.

Some hon. Members: Agreed.

Motion (Mr. Sharp) agreed to.

Motion (Mr. Munro (Hamilton East)) agreed to and bill read the third time and passed.

Mr. Reid: On a point of order, Mr. Speaker, it is my understanding that the other place is ready to consider this bill, and I wonder if it would be possible for the House to agree to suspend its sitting until the call of the bell, at which time the other place will have completed its consideration of this legislation and we shall then proceed to royal assent.

The Acting Speaker (Mr. Penner): The House has heard the suggestion of the parliamentary secretary. Is it agreed?

Mr. Knowles (Winnipeg North Centre): We will agree to that, Mr. Speaker.

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Since we have a minute or two, Mr. Speaker, I wonder whether the House leader could tell us the order of business for tomorrow.

Mr. Sharp: The first order of business tomorrow will be the completion of the housing bill, Bill C-46, followed by Bill C-13, and perhaps some other bills which I have indicated previously are at report or third reading stage.

Mr. Knowles (Winnipeg North Centre): What about Bill C-8?

Mr. Sharp: After we have disposed of some of the less important bills, the bills which the House leaders have agreed should be dealt with so as to clear up the order paper, it is our intention to consider Bill C-8. I am doubtful, however, whether we would get to that bill until late tomorrow or until Wednesday.

The Acting Speaker (Mr. Penner): In accordance with the order made earlier the House will rise until the call of the bell.

SITTING SUSPENDED

At 10 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 11.30 p.m.

THE ROYAL ASSENT

[*Translation*]

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House
Ottawa, March 24, 1975

Sir,

I have the honour to inform you that the Honourable R. G. B. Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber

today, the 24th March, at 11.30 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant
André Garneau
Brigadier General
Administrative Secretary to
the Governor General

A message was delivered by the Gentleman Usher of the Black Rod as follows:

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

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

Royal Assent

[*English*]

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-56, An Act to provide for the resumption and continuation of longshoring and related operations at ports on the west coast of Canada.—Chapter No. 32.

Bill C-29, An Act respecting Canadian business corporations.—Chapter No. 33.

Bill C-10, An Act to amend the Prairie Grain Advance Payments Act.—Chapter No. 34.

Bill C-373, An Act to provide for the recognition of the Beaver (*Castor canadensis*) as a symbol of the sovereignty of Canada.—Chapter No. 35.

Mr. Speaker: It being after ten o'clock this House stands adjourned until two o'clock tomorrow afternoon.

At 11.51 p.m. the House adjourned, without question put.

HOUSE OF COMMONS

Tuesday, March 25, 1975

The House met at 2 p.m.

PRIVILEGE

MR. BAKER (GRENVILLE-CARLETON)—METHOD OF DEALING WITH SECURITY PROGRAMS IN ESTIMATES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, last night in the Standing Committee on Miscellaneous Estimates an exchange took place between the Minister of State for Science and Technology (Mr. Drury) and some hon. members which has implications for the rights and responsibilities of all hon. members. When the minister was questioned about the communications branch of the National Research Council, he told the committee that this agency, which has security responsibilities, had been transferred to the Department of National Defence. When asked what changes in the estimates this necessitated, the minister said:

MR. DRURY: Under what particular item it appears in the Department of National Defence I do not know.

MR. BEATTY: Could I ask you where the change is this year? Where was it last year in the estimates? What vote was it?

MR. DRURY: I would hope it would have appeared in a number of votes.

MR. BEATTY: You would hope that it would have appeared in a number of votes?

MR. DRURY: As is customary in security matters.

This was later elaborated upon as follows:

MR. DRURY: I would not like to convey the impression that the estimates are inaccurate; that the estimates are dishonest. What I was merely endeavouring to say is that the estimates, the appropriations made for security purposes within the government are recorded in the estimates in a way which would make it difficult for somebody who is hostile or antagonistic to Canada to—

MR. CLARK (ROCKY MOUNTAIN): Such as the opposition.

MR. DRURY: He said that, not me... who are hostile to Canada, through an analysis of the estimates to get some notion of the size, shape and perhaps even the activities of our counter-subversive forces.

Mr. Speaker, the manner in which the government has chosen to deal with secret information is offensive to a democratic system based on the approval of the spending program by an elected assembly. It is insulting to suggest that the choice in a parliamentary system is either to deny and hide the existence of security activities, on the one hand, or to run the risk of exposing totally material which ought to be classified in the national interest. There is a middle ground which is compatible with the parliamentary control of expenditure. The present method is contrary to the Constitution and to the government's own description of the purposes of the estimates. Section 54 of the British North America Act states that the Governor General recommends expenditures to the House for specific purposes. This provision is repeated in Standing Order 62(1) of this House which states:

● (1410)

This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

Standing Order 63 is germane to the point, and says in part:

—it is the undoubted right of the House to direct, limit, and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

The emphasis is on the right of the House to approve the details of expenditure. These Standing Orders are further developed by Beauchesne, citations 244(3) and 246(3) which stress that amendments to change financial recommendations of the Crown can only be made after further recommendations by the Crown setting out a new proposal. When the government presents its estimates it states categorically that their purpose is to provide to the House the necessary information on which to make a judgment. In the preface to the estimates for 1975-76, paragraph No. 1, we find this statement:

The proposals with respect to voted items are conveyed formally in these estimates in the wording and amount of the votes which, when included in appropriation acts, become the governing conditions under which the expenditures may be made.

Paragraph 4 continues, in describing reasons for changes in the form of estimates:

The decision of the Government of Canada to adopt a system of budgeting by programs, a "planning, programming, budgeting system", with its emphasis on defining program objectives and showing the full costs for each program, was also a determining factor.

In view of the attitude of the Minister of Science and Technology, these two descriptions are untrue and the assurances they are meant to convey to members of parliament are misleading and deceptive.

I have not raised this question of privilege today, and the matter was not pursued by my colleagues on the miscellaneous estimates committee because we believe that the state has no right to be extremely careful in its release of information considered prejudicial to the security of the state. Quite the contrary: members of this party concerned about freedom of information, such as the hon. member for Peace River (Mr. Baldwin), have repeatedly stressed that this is a valid criterion. However, the position which has been taken by the minister represents an unhealthy extreme. Members are to find out about security organizations by accident and then be denied any opportunity to ask questions about the scope and purpose of such activities or the amount of money to be spent on them.

While it would be comforting to be able to accept assurances that everything being done in the name of security and secrecy is fit and proper, recent history is crowded

with instances of the abuse of security organizations in countries where these organizations were completely shielded from investigation by democratically elected representatives of the people. My proposition with respect to this is that too much security and secrecy brings its own dangers.

I believe, Mr. Speaker, that this practice referred to by the minister rejects the very procedural foundation upon which approval of estimates is based and prevents members of parliament from fulfilling their responsibilities. For this reason, if you find that I have a prima facie question of privilege I would move, seconded by the hon. member for Rocky Mountain (Mr. Clark):

That the practice of hiding security program estimates amongst unrelated headings be referred to the Standing Committee on Privileges and Elections, and that the committee be empowered to recommend a more suitable procedure for presenting and dealing with estimates relating to national security.

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, as I am the one who has given rise to this question of privilege, perhaps I might say a word on it. Without question, what the hon. gentleman read in the way of citations and instructions governing the preparation and presentation of estimates was entirely factual and covers generally the fullest and most complete disclosure to a responsible parliament that we can contrive. Indeed, in so far as I have been responsible for the preparation and presentation of estimates, that has been the objective I have sought to achieve. However, matters of national security are somewhat different and the problem is not peculiar to Canada; indeed, this is the universal dilemma of the nation state.

In order for a national security program to be effective, it must be prepared to counter undercover, hidden, clandestine operations of other people, such as the intelligent services which operate against the interests of the national state, or against the interest of Canada. The counter-intelligence movement, or the security apparatus which is countering interests which are inimical to Canada, or countering interests which are pursuing purposes which are inimical to Canada, must, in order to be effective, itself be under cover and not known to an enemy. To take a popular analogy, this is a bit like engaging in a poker game in which one man discloses his hand by putting it on the table and the other keeps his hidden and then proceeds to bet.

This, however, presents those in a democracy with a serious dilemma, namely, how to have an effective counter-subversive organization which, in order to be effective, must not be publicly known and the operational details of which should not be disclosed to persons against whom it is operating.

Mr. Clark (Rocky Mountain): And the details of which must not be scrutinized by parliament.

Mr. Drury: I point out to hon. members that the security apparatus of Canada is not directed against Canada; it is directed against those outside Canada whose interests may at times be inimical to our own.

Mr. Peters: That is exactly what Hoover said about the CIA.

[Mr. Baker (Grenville-Carleton).]

Mr. Drury: In order to secure funds for these operations, we must and should seek the approval of parliament. The matter must, therefore, be included in the estimates. The problem, from the administrative point of view, is how—

Mr. Clark (Rocky Mountain): To hide it.

Mr. Drury: —to seek this parliamentary approval without disclosing in a comprehensible and clear way precisely what is being done, and how. In order to achieve this purpose, an endeavour is made not to include in the estimates, as normally is the case with other programs, a discrete heading showing the entire amount of effort, or the entire number of people and the entire organization and purposes involved in counter-subversive operations: these are not put under one heading as by doing so we would serve the cause to which the organization is opposed. To do so would serve them admirably but it would not help Canadians and our parliamentarians.

To get over this dilemma, when members of the House or the House collectively have felt in the past they must know either the global arrangements or the details of the program, we have, on matters involving national security arrangements, informed parliament in camera rather than on a public basis. Members who participate in such in-camera sessions are under the obligation not to use the information they acquire in a public sense, that is, not to use the information they acquire in public ways or in connection with any other program.

● (1420)

I suggest this with some deference, but if it is the view of the House that it is important at this juncture to have information and a briefing on the security arrangements, I would be quite prepared to recommend to my colleague the House leader that arrangements be made for an in-camera session, on the understanding that those who participate in it accept the responsibility for treating in confidence the information they gather in respect of this national problem. They would be obligated not to disclose this in a way which would harm the interests of Canada.

I think this procedure has always been open. I feel strongly that it would not be in the interests of Canada to tip our hand, so to speak, in a public way merely to satisfy curiosity or the demands of those who would write interesting and perhaps exciting articles.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to say only a few words on this matter. I noted with interest the reference made by the Minister of State for Science and Technology (Mr. Drury) to in-camera sessions. The last in-camera session of this House of Commons that I can remember took place in 1944. Therefore, we are talking about something that does not happen under normal conditions.

The other point I want to make is this. It is open to the government, certainly under the Regulations Act and maybe in other ways, to provide that certain matters be kept secret. I suggest that it is one thing for the government to act under that authority if it feels justified in doing so. However, it is quite a different matter to distrib-

ute expenditure items through a number of estimates, in effect to distort the picture that is being given to parliament of how money is being spent.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I gather it is that practice about which the hon. member for Grenville-Carleton (Mr. Baker) is complaining. I believe the complaint is well taken. If the government wants to keep certain information secret, it should do it legally under the appropriate act; it should not distort the estimates it places before parliament.

Mr. Baker (Grenville-Carleton): Mr. Speaker, in view of the offer that has been made by the minister, I ask that my question of privilege be stood at this time, and perhaps we can discuss the matter further.

Mr. Speaker: I might inform the hon. member that I had that very intention, for two reasons. First, the question of privilege raises the very important point of the right of opposition members to be able to make inquiries in an examination of the estimates and in voting supply, as opposed to the right of the government to retain certain information as secret and confidential and to perhaps go to the length of distributing it throughout the estimates in some unseen way in order to protect that secrecy. The question is extremely important and complex, and I would like to look at it carefully. In addition, there is the offer by the minister that might want to be considered by hon. members before this matter is resolved. Accordingly, it would perhaps be best to ruminate over the Easter break and see what might develop.

ROUTINE PROCEEDINGS

[*Translation*]

REGIONAL DEVELOPMENT

Second report of Standing Committee on Regional Development in both official languages—Mr. Pelletier (Sherbrooke).

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

* * *

[*English*]

AIR CANADA

SUGGESTED INVESTIGATION OF CONDITIONS AT WINNIPEG FINANCE SECTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to Standing Order 43, concerning current and ever increasing difficulties affecting Air Canada which are seriously impairing the efficiency of the corporation and detracting from its reputation and public image. I therefore move,

seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the government forthwith arrange an inquiry under the Inquiries Act to investigate certain aspects of Air Canada and its operations, with particular reference to continuing chaotic conditions in the Winnipeg finance section, also the status of and financial accommodations given to the vice-president of personnel to determine whether this executive has been accorded unique treatment vis-à-vis other Air Canada personnel.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be debated in the absence of unanimous consent. Is there such unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIRPORTS

PICKERING—ALLEGED PROMISE OF MINISTER TO STOP CONSTRUCTION IF MAJORITY OF PEOPLE OPPOSED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise to seek permission to move a motion concerning a matter of urgent and pressing necessity. This urgent and pressing matter is the ongoing process of building the Pickering airport, bearing in mind the recent statement made to the House by the Minister of Transport (Mr. Marchand) that he would stop this process if it were proven to him that the majority of the people in Toronto were opposed to it. Yesterday, a poll indicated that 54.4 per cent of the people of that city were against the construction of the Pickering airport as the project now stands. Therefore, on the basis of this and previous polls, I would move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That this House instruct the Minister of Transport that the Pickering project be not proceeded with for at least two years in order to enable a continuation of studies concerning this matter, including studies relating to new technology dealing with the reduction of noise levels as well as the possible development of the Toronto Island airport in regard to short-range STOL routes.

Mr. Speaker: The motion is put forward under the terms of Standing Order 43 and the unanimous consent of the House is required before it can be put. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

ANNOUNCEMENT OF PROGRAM TO ASSIST VETERANS IN OBTAINING HOUSING

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I wish to inform the House of the decision reached by the government concerning the provision of housing assistance to veterans. As hon. members

will recall, and as reported at page 1072 of *Hansard* for November 5, 1974, I stated that an urban housing program for veterans retiring from post-war careers would be inconsistent with the Veterans Land Act which was an agriculturally-oriented rehabilitation program designed to assist veterans following their discharge from wartime active service.

I went on to say, however, that it was realized many low or modest income veterans have needs in respect of housing, and that in recognition of such awareness and of the greater relevancy of the provisions of the National Housing Act to their needs, a study was under way to examine whether special arrangements should be made to assist these veterans. My colleague, the Minister of State for Urban Affairs (Mr. Danson), shares my pleasure in informing the House that the government has decided to provide some special assistance to low or modest income veterans within the context of the provisions of the National Housing Act.

Having regard for the increasing age of veterans, good housing at low rental levels is economically and physically more practical for many than home ownership. Accordingly, to provide further incentive toward increasing the availability of such accommodation it has been decided to provide an additional capital grant of 10 per cent to non-profit organizations which build low-rental projects primarily but not necessarily exclusively for the housing of veterans.

● (1430)

As hon. members are aware, there is provision under section 15.1 of the National Housing Act to provide non-profit organizations with start-up funds of $10,000. A grant or contribution is made of 10 per cent of the capital cost of the building project. Other provisions of the National Housing Act may also be utilized in the development of section 15.1 projects. Loans equivalent to 100 per cent of the net cost are made on a long term, 50-year basis at a preferential rate of interest.

The additional 10 per cent—which will also be available where the land is acquired by CMHC and leased to the non-profit organization—should be of significant help in the level of rental rates which are established and maintained with respect to projects developed primarily but not necessarily exclusively for veterans. Veterans' associations and other non-profit organizations have shown interest in past years in low rental projects. It is hoped that the provision of an additional 10 per cent capital grant will encourage further or fresh initiatives by such groups.

Turning now to the area of home ownership, the government considers it appropriate to provide a cash subsidy of up to $600 annually to veterans as defined in the Veterans Land Act who obtain loans from Central Mortgage and Housing Corporation or from approved lenders for the construction or purchase of new houses and who meet the income and child dependency criteria of the Assisted Home Ownership Program.

This subsidy of up to $600 will be additional to that available under the AHOP plan for the purpose of reducing payments of principal, interest and taxes to the range of 22-25 per cent of a veteran's adjusted income. It will provide a basis, accordingly, for enabling additional veterans in the low or modest income levels to acquire home ownership who may not be able to do so today despite the existing favourable provisions of the AHOP plan.

I referred earlier to the advancing years of veterans, and while this does not necessarily have any bearing on their productive capabilities it is only natural that progressively fewer meet the child dependency requirement of the AHOP plan. It is evident, too, that many veterans eligible under AHOP from an income level standpoint would find it more practical and economical—particularly in communities located outside major metropolitan areas—to purchase existing good quality houses rather than build or buy a new one.

In recognition of veterans in these circumstances, an annual interest reduction grant of up to $600 will be made to veterans as defined in the Veterans Land Act who obtain NHA loans from approved lenders, who have not owned a home in the preceding three years and who would be eligible under the AHOP plan except for the child dependency or new house requirements.

I have no intention of suggesting that the special housing assistance measures on behalf of veterans that I have just announced touch on all the needs or circumstances that veterans may have with respect to housing. I would point out, however, that the provisions of the National Housing Act are broad and favourable, and there are a variety of plans in operation in most provinces, many of them in conjunction with the National Housing Act. Even if it were otherwise feasible and possible, therefore, it is not considered that special assistance for veterans would be warranted with respect to each type of requirement they might have and regardless of income level.

It is contemplated that the administration of the measures I have announced will be carried out by Central Mortgage and Housing Corporation with support from officials of the Department of Veterans Affairs. Similarly, the additional funding required for subsidy purposes will be disbursed by CMHC from resources provided by Veterans Affairs. Not all of the administrative and financial requirements have yet been completed. However, I hope all necessary arrangements will be concluded soon in order that action to implement the measures may be initiated at the earliest possible date.

Earlier in my statement I referred to the Veterans Land Act. Operations under that statute commenced as early as 1942 and this weekend, after more than 30 years of activity, the authority for the director to accept loan applications for the establishment of qualified veterans will come to an end. This does not mean that the act or the administration will cease to exist. More than 140,000 veterans have received financial assistance totalling more than $1¼ million. Of those veterans, more than 60,000 still have VLA contracts representing a principal indebtedness of $545 million. The contracts for many will not expire until on or about the year 2000, and they will be eligible, of course, to apply for additional loans until March 31, 1977.

The special housing assistance measures for veterans that I have announced do not represent a replacement of the Veterans Land Act because, as I stated previously, it was neither designed nor intended as a housing program but as an agriculturally-oriented, post-war rehabilitation plan. I nevertheless thought it appropriate, Mr. Speaker, to

conclude my statement with a brief reference to some of the vital statistics pertaining to VLA operations, to the tremendous contributions the legislation and VLA settlers have made to the growth and well-being of Canada, and to salute the dedicated officials who have administered the act over the years and will continue to do so for many years to come.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, first of all let me say a word of appreciation to the minister for providing the opposition with a copy of the statement which he just read to the House. Normally it would fall upon the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) to speak for the official opposition on matters related to veterans affairs. However, it may not be known to the House that just this past weekend the hon. member lost his wife who passed away quite suddenly. I know hon. members on all sides of the House will join with me in offering to him and his family our deepest sympathy in their time of bereavement.

I welcome the fact that at long last the minister has seen fit to make a statement regarding housing for veterans. Ever since a few years ago when we saw the Veterans Land Act coming to an end, we on this side of the House, joined by the hon. member for Winnipeg North Centre (Mr. Knowles), have made representations on many occasions and used many devices of procedure in the House of Commons to extend the Veterans Land Act in order to accommodate veterans who have not yet been able to provide themselves with proper housing. We were assured at one point when the government defeated our motion to extend the Veterans Land Act that housing legislation was in the works and would soon be presented.

Since then we have been waiting a long time, and that is why we welcome this announcement today. However, I must say we are deeply disappointed with the contents of the announcement, because we were given to understand that special housing legislation would be introduced into the House designed solely for the benefit of veterans and directed toward those people who have given their all in defence of our country in times of great danger and need. But what do we have in the statement made by the minister? We have an embellishment and enlargement of the National Housing Act, really nothing that is pointed directly at the veterans.

These are men who have pride, Mr. Speaker, They took pride in the service they gave their country, and they like to feel that their government and the Parliament of Canada respect them to the point where they will introduce legislation directed specially at them in recognition of their great sacrifice. We feel that despite the amendments to the National Housing Act which the minister referred to, this is really a token gesture to our veterans that is far, far less than we were given to understand the government was going to make in its proposed legislation.

At least twice in his statement the minister said "primarily but not necessarily exclusively for the veterans". We take exception to this. We think these measures should be primarily for the veterans; the veterans are what the Veterans Land Act is all about. We are given to understand that this replaces the Veterans Land Act. We note, too, that some of the increased grants and assistance to veterans is not being given directly to them but, rather, to non-profit organizations which construct low rental housing projects for people such as veterans but not necessarily for them.

● (1440)

We welcome the fact that the minister has seen fit to propose an amendment that will give a cash subsidy of $600 annually to veterans. This is an important step and it is fitting, proper and right that it should be done. We feel this will help veterans in the low income group. I note that the minister says it is in addition to that available under AHOP, so I presume it is in addition to the $500 already available to people who build or purchase new homes under the National Housing Act or through CMHC. Our principal disappointment with this is that it is not special legislation. I realize the minister has just said that the program does not touch on all the needs or the circumstances veterans may face in respect of housing. This is exactly the fault we find with it; it certainly does not touch on all the needs, and this is again why I say that special legislation should have been introduced.

Much of the work is to be carried out by CMHC with the assistance of the Department of Veterans Affairs. This department has been relegated to second place in the administration of legislation and changes which affect veterans. The department should be in first place because, after all, we are dealing with veterans of our country.

In conclusion, I certainly join with the minister in his salute to the dedicated officials of the department who have over the years administered the Veterans Land Act to the benefit of a great many veterans who chose to settle on the land and become full-time farmers. Too much good cannot be said about the work they have done. However, I register deep disappointment over the fact that we are not seeing today the introduction of a special housing act aimed solely at the needs of our veterans.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I join with my friend, the hon. member for Norfolk-Haldimand (Mr. Knowles), in saying how deeply sorry my colleagues and I feel for our friend, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). He is one of the most distinguished and best respected members of this House and we are indeed sorry that he is experiencing this very sad bereavement.

I also join with the hon. member for Norfolk-Haldimand in expressing, with the Minister of Veterans Affairs (Mr. MacDonald), a word of appreciation for what has been done during the past 30 years or more under the Veterans Land Act. The tribute to those who have administered this legislation is well deserved. I think we should also pay tribute to the veterans who have taken advantage of this legislation and have made Canada a better place for what they have done under its provisions.

In the same friendly mood I should like to say that all of us in this House have a great deal of respect for the able and gallant Minister of Veterans Affairs. When he rises to make an announcement or say anything, our instinct is to approve and applaud. I regret that there has to be some qualification in what I say in that respect today. We feel that this announcement, promised last November 5 and 6,

is a very real disappointment. May I point out that in the past 30 years or more, veterans in need of housing or with housing problems have been able to go to the veterans land administration, a division of their own Department of Veterans Affairs. From now on they will go to to Central Mortgage and Housing Corporation or to the developers who operate under AHOP. There is no longer any special place, a place of their own, for veterans to go, as veterans, to get assistance in connection with their housing needs.

I would also point out that although we have dared to hope during the months that we would be getting legislation respecting veterans housing, there is no suggestion in this announcement that there is to be any legislation at all. By the process of an announcement, veterans are being turned over to the Minister of State for Urban Affairs (Mr. Danson) in this regard. Considering the difficulty that Canadians generally have in getting assistance on their housing problems from that minister, I do not see that this is any great day for veterans—to be told that they must go and see the Minister of State for Urban Affairs or one of the agencies which operate under that minister.

Let me also point out that the statement which, of course, is made today to keep a promise that something would be said before March 31 contains very few details. There was even a comment in the statement to the effect that most of the details have not yet been worked out. All of that leaves open the question of whether there is to be any legislation, and are we going to get any chance of making sure that the provisions which are to be put into play for veterans are really the kind that will be of assistance to them? Therefore, Mr. Speaker, I want to say that to us the statement is a disappointment.

In the main, the minister breaks his announcement into two parts; he talks about rental housing for veterans and then about home ownership. Under the heading of rental housing he says that non-profit organizations which can now get grants of a certain size for the construction of rental housing can get an additional 10 per cent if the projects are built primarily, but not necessarily exclusively, for veterans. The most the minister can say in respect of that arrangement is that it should be of significant help in the level of rental rates which are established for such veterans. There is no guarantee at all that there is to be any discernible benefit to veterans. The veteran will just have to go to a non-profit organization, hoping there is one in his area, to try to rent accommodation, daring to hope that the rent will be a little less than it would have been had this announcement not been put into effect. It seems to me to be a very small offer that is being made to veterans so far as rental housing is concerned.

In connection with home ownership, again the veteran is being told he can no longer knock on the door of the Department of Veterans Affairs but must knock on the door of the Minister of State for Urban Affairs. He is told there are some additional grants available to help cope with interest, provided he meets all the conditions. First of all he has to be a veteran within the meaning of the definition in the Veterans Land Act, and that in itself is a limitation. Then he has to meet various conditions set down in the National Housing Act or under AHOP. In the final analysis, it means that the veteran who is seeking to buy a home is at the mercy of the developer who operates under AHOP, and it has been made clear that in recent years there have been practically no homes offered under AHOP in the large urban centres in Canada where 75 per cent of Canadian people live. If no homes are available, the extra assistance is of no help.

There is a slight improvement in that there will be there grants of so much money per year to help a few veterans pay the interest on the mortgage, but of what use is that help if the veteran cannot get a home under AHOP in one of our large cities?

● (1450)

The one thing there is in this program that does not seem to be there for non-veterans is that there can be assistance for the purchase of a home that is already in existence. But, of course, then we are under the various ceilings and provisions that are in the legislation. The cost of a home in our cities is such that one wonders whether it will be of any help.

All told, there is no doubt in my mind that the minister's heart is in the right place and that he wants to help the veterans, but I think he has been conned by the Minister of State for Urban Affairs into making a statement that sounds as though it provides something for veterans but that really provides very little.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): My hon. friends opposite can boast and applaud their minister and complain about our criticism all they want. They will find out very soon that it really is a disappointment that the Veterans Land Act was allowed to lapse—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —and that the government did not put something in its place that would be of real help to our veterans.

This is my last sentence, Mr. Speaker. Veterans are now being told that for housing help they must go to the Minister of State for Urban Affairs; considering how unhelpful he is to Canadians in general, that is a pretty poor show for the veterans of this country.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first of all, I wish to join the two speakers who preceded me in offering the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) our deepest sympathy in his cruel bereavement.

Mr. Speaker, I listened to the statement of the Minister of Veterans Affairs (Mr. MacDonald). I listened attentively when he read it and I seriously pondered on the standards of living, the benefits that are granted to veterans in the various countries I had the opportunity of visiting. I thought that Canada, and I am most convinced of this, is one of the countries which have done the most in the last few years to help well deserving veterans.

So, I should like in their name to thank the minister for his statement which will certainly be of assistance to retired veterans. It is obvious that because of their age many of them who would like to own their house are not

in a position to keep it as they would like to. To overcome those difficulties, the minister announced that he wants nonetheless to help them provide for themselves decent housing and to this end, an additional capital grant of 10 per cent will be provided to non profit organizations; the program will be under the responsibility of another department.

I would like, and we have to take things as they are, to ask the Minister of State for Urban Affairs (Mr. Danson), since he will be in charge of the management of that program, to suggest to his officials as well as to those of the Central Mortgage and Housing Corporation to be considerate to veterans, to be patient enough and give them explanations when they will request information on the advantages of the law and those available from the Central Mortgage and Housing Corporation. In short, they should not be too harsh with them, rejecting their request on all kinds of pretexts under some regulations which sometimes are not acceptable to the minister or the legislators so as to give further satisfaction and additional advantages to some groups of individuals.

I should also like to ask him, seeing I have had the opportunity of visiting some of the construction done under the supervision of the Central Mortgage and Housing Corporation, whether he is aware that it is not always of the best quality. Veterans have the right to live in comfortable, well-built first quality and solid homes, in which they will be happy to live.

The minister also stated that there will be a cash subsidy of $50 a month. To my mind, that is an excellent idea, a step in the right direction; I am sure that measure will be welcomed by those who will want to take advantage of it.

There is another aspect of the statement of the minister that I consider very important because I live in a rural area. Provision is made to allow veterans to buy old houses that are still in good condition and can be renovated; this means that the price of these houses will correspond to their means. In addition, in some parishes, on the outskirts of Quebec City or Lévis, and the same must surely apply to Montreal and other large cities, several farms have been regrouped, houses have been abandoned which could still be lived in. So, if under the terms of this act veterans are allowed to retire some distance from the cities, in the country, some balance will result between the rural and urban populations; those who live in the country will be able to share the burden of public expenses with a larger number of people. To my mind, because of this, people will be able to say toward the end of their lives: We now live in a healthy environment, where the air is pure, where there is space. That will be the crowning glory of their lives. That way, Canadians will prove their gratitude to them for their devotion and courage in fighting for our freedoms.

Mr. Boulanger: On a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Mercier (Mr. Boulanger) on a question of privilege.

Mr. Boulanger: Mr. Speaker, I thank you for your courtesy. On behalf of the committee on veterans affairs and as chairman of the committee, I would like to take this sad opportunity to offer the hon. member for Humber-St. George's-St. Barbe (Mr. Jack Marshall) our sincere sympathy on the passing of his wife.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SAUDI ARABIA—EFFECT OF DEATH OF KING FAISAL ON OIL IMPORTS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Given the fact that about 11 per cent of Canada's recent oil imports have been from Saudi Arabia, and the fact that we are getting a large proportion of our oil for eastern Canada from that country, can the minister tell us what communication he has had from Ambassador Shenstone in Jidda about the possible impact of the death of King Faisal of Saudi Arabia this morning on our oil imports?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I regret the untimely death of the king. I have just returned from my office, where I was making inquiries on that very point. As of this moment we have not received an analysis from our ambassador on what possible implications this may have on a number of issues.

● (1500)

Mr. Gillies: Has there as yet been any communication whatsoever from the ambassador?

Mr. MacEachen: I have just told my hon. friend that there has not.

SAUDI ARABIA—SUGGESTED VISIT BY MINISTER OF FINANCE

Mr. James Gillies (Don Valley): Perhaps I could direct my supplementary to the Minister of Finance. Given the fact that the Minister of Finance will be in the Middle East—and I realize this will be in his capacity as chairman of the Group of Twenty—would he give some consideration to extending that trip and visiting the capital of Saudi Arabia to make known Canada's concern about the need for a continuation of a steady supply of crude oil from that country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that was one of the countries I had intended to visit. I will have to reconsider the situation in view of the events today.

Oral Questions

ENERGY

CONFERENCE OF OIL PRODUCING AND CONSUMING NATIONS—CANADIAN VIEW OF FLOOR PRICE FOR OIL AND SUITABLE LEVEL

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. On March 11 he was asked a question by the Leader of the Opposition pertaining to Canada's position in regard to the International Energy Agency talks on a common oil policy, and he indicated that he would reply in the Standing Committee on National Resources and Public Works, since he had not had an opportunity to provide a complete answer. In view of the fact that the preparatory meeting of the French-sponsored meeting of oil producing and consuming nations and developing states will be held on April 7, would the minister briefly tell the House whether the government supports the idea of an international floor price for oil, and what floor price the government believes would be consistent with Canadian energy development interests?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): In general terms, the government has lent support to the proposal agreed upon by the IEA with regard to an international floor price. It is assumed that the price would be higher than it was in October, 1973, although significantly lower than the current international price. The actual level has not been determined between the members of the IEA and the government is maintaining flexibility of its own position in these discussions.

CONFERENCE OF OIL PRODUCING AND CONSUMING NATIONS—REQUEST FOR EXPLANATION OF "SAFETY-NET CONCEPT" AND STATEMENT OF GOVERNMENT'S POSITION

Mr. Harvie Andre (Calgary Centre): Apparently the meetings of the International Energy Agency on March 6, 7 and 20 did not reach agreement on the matter of a common international floor price or on the need for a common safeguard mechanism on floor prices to protect certain essential investments and, rather, proposed a series of co-operative measures which summed up to a "safety-net concept" which would not be described in detail until after the March 20 meeting delivered a final verdict on the proposals. Would the minister tell the House what was decided at the March 20 meeting, and precisely what the safety-net concept means?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I think it would be preferable, as I indicated before, to discuss this in the parliamentary committee, if we could find an occasion on which to do so. It is a rather complicated set of proposals.

Mr. Andre: In view of the great importance of this question and the fact that the meeting will be held on April 7, will the minister make a full public statement on the government's position on these matters before that time?

Mr. Baker (Grenville-Carleton): Say tomorrow?

An hon. Member: Before April 7.

[Mr. Turner (Minister of Finance).]

Mr. Macdonald (Rosedale): I think it probably makes more sense, as I have said, to have a full meeting in the committee and discuss the matter. Then the questions can be asked there.

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THE CANADIAN ECONOMY

EFFECT OF WOMEN IN THE LABOUR MARKET ON UNEMPLOYMENT—VIEW OF MINISTER OF FINANCE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Yesterday, during the presentation of the brief of the Canadian Labour Congress, the Minister of Public Works said, in reply to one of the points made, that one of the reasons for the high level of unemployment in Canada is the number of women on the labour market. I ask the minister if he shares the view that it is because women are trying to get jobs that we now have high levels of unemployment in our statistics. If he does share that view, could he tell us what the government is doing specifically about women on the labour market?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I know my colleague with whom I share this bench would know that when we talk about women it should be put in context and we should find out exactly what he said and in what context he said it.

GOVERNMENT MEASURES TO EXPAND GROWTH RATE AND PROVIDE EMPLOYMENT OPPORTUNITIES FOR WOMEN

Mr. Edward Broadbent (Oshawa-Whitby): I would like to ask the minister to explain that, but I will not. Instead, I will just quote another gem from what the Minister of Public Works said yesterday. He said, in the same comments, that the government had every intention of maintaining "the current high rate of growth" in the economy.

Some hon. Members: Oh, oh!

Mr. Broadbent: I would like to ask the minister if he regards a zero growth rate as a high rate of growth. Second, and related to the first question but more seriously, what does the government plan to do about expanding the growth rate in general, and what does it plan to do about expanding employment opportunities for women in particular?

Hon. John N. Turner (Minister of Finance): My hon. colleague has just returned and I really ought to consult him, but with reference to the question of whatever the growth rate in Canada will be for 1975, the OECD in Paris has again declared that we will have the highest growth rate of any of the 24 industrial nations in the world.

Some hon. Members: Hear, hear!

Mr. Hees: You never had it so good.

Mr. Turner (Ottawa-Carleton): I take some encouragement from the fact that the labour force last year, or 1973-74, grew at the rate of 4.4 per cent, which included

many new entries into the labour force of young men and young women and also an increasing percentage of women. As long as our labour force continues to grow more rapidly than that of any other nation in both absolute and relative terms, it will continue to be a policy of this government to stress employment and growth.

Mr. Broadbent: Thank you, Paul Martin.

Some hon. Members: Hear, hear!

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LABOUR CONDITIONS

WOMEN IN THE LABOUR MARKET—GOVERNMENT PROGRAMS TO ENSURE EQUAL PAY FOR EQUAL WORK

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I would like now to ask a question of the Minister of Labour. Since today is the thirty-fifth anniversary of the ILO commitment to the principle of equality for men and women in the labour market in terms of pay, and in view of the most recent statistics of pay for men and women in managerial categories in which it is stated that women receive roughly half the pay of men for the same job; that in the service sector they receive roughly half, and in the clerical sector—

Mr. Turner (Ottawa-Carleton): Order.

Mr. Broadbent: This is a very important matter. In the clerical sector women receive two-thirds of the rate of pay of men. In view of these statistics, could the Minister of Labour inform the House what specific programs the federal government has to ensure equal pay for equal work?

Mr. Speaker: Order, please. The minister may want to make a brief comment, but the subject is much too lengthy to be dealt with in the question period.

Hon. John C. Munro (Minister of Labour): As the hon. member knows, the vast percentage of hiring takes place in the private sector and falls within provincial jurisdiction. I think we have been doing very well, however, under Sylva Gelber in the women's bureau where we have been trying to conduct the most progressive campaign of any industrialized country in the free world to rectify this situation.

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THE CANADIAN ECONOMY

DECLINE IN INDUSTRIAL PRODUCTIVITY—GOVERNMENT MEASURES TO STIMULATE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In view of the shocking decrease in industrial productivity which took place during the past year, which is the worst performance this country has had in this regard in 17 years, the deterioration of which is continuing into the present year, and one of the principle reasons for the steady deterioration of the trade picture being additional unemployment, would the minister advise the House whether he is giving consideration to productivity incentives, based directly on productivity achieved, for introduction into his new budget, which must be introduced in the very near future if the present recession is not to turn into something very much worse?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have recited to the hon. gentleman, but obviously without too much success, the incentives this government has introduced to encourage productivity and performance in the manufacturing and processing industries in this country. As a matter of fact, I can only recall to him what the Secretary of the Treasury of the United States said a week or so ago when he was here, in response to a question by a member of the Canadian press concerning his explanation for the relatively better performance of the Canadian economy in comparison with that of the United States. He said it was because of the incentives to business given by this government two or three years ago.

Mr. Hees: As the incentives which the minister introduced some time ago give business the choice of paying out those incentives in additional dividends, putting the money into reserves or putting it into more productivity—one chance in three—I ask the minister once again, as those incentives have not produced the right results, whether he will consider introducing incentives based directly on increases in productivity, so that the Canadian taxpayer will receive a dollar's worth of benefit for a dollar spent and thus greatly increase productivity in this country.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will send the hon. gentleman the figures. I do not want to belabour this point at this stage in the question period. In terms of the dividends paid by Canadian business in the last two or three years, they have not, as the hon. gentleman knows, been at an historic high, so profits have not been dedicated to payment of dividends; they have been retained in earnings and they have been reinvested in capital plant and equipment by Canadian business to increase productivity. For that reason, 1973 and 1974 saw the highest percentage increase in capital investment in the history of this country.

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● (1510)

AIRPORTS

PICKERING—REQUEST FOR RECONSIDERATION OF DECISION TO CONSTRUCT IN VIEW OF MAJORITY VOTE AGAINST PROJECT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question for the Prime Minister deals with the proposed Pickering airport. On February 21, the Minister of Transport stated in this House:

> If the hon. gentleman can bring some kind of evidence to show that the majority of the population is against the Pickering airport, I am ready to revise the whole thing.

In light of the result of the latest information survey made public last night, which showed that 40 per cent of Malton area residents and 54.4 per cent of metro-wide

residents are not in favour of a second international airport at Pickering, and knowing that the Prime Minister stated on one occasion that if the majority of people living in the area—even if only 51 per cent—did not want this airport, the government would not proceed with it, will the Prime Minister take these views of Canadians under serious consideration and bring the nearly $2 billion Pickering issue back to cabinet to revise the government's position?

Right Hon. P. E. Trudeau (Prime Minister): These figures certainly will be drawn to the attention of the minister, Mr. Speaker, and I will look at them myself. I would merely remind the hon. member that since this whole issue began, two elections have been held on the government's policy, and that the setting up of an inquiry board and being attentive to its report has been vindicated in the elections which returned this government.

PICKERING—PROPOSED DELAY OF CONSTRUCTION TO PERMIT INDEPENDENT INQUIRY INTO ALTERNATIVES

Mr. Otto Jelinek (High Park-Humber Valley): A supplementary question. In view of the negative reactions to Pickering airport by various polls, not just this one but previous ones as well, would the Prime Minister take under consideration the proposal to freeze the Pickering project, at least, and the proceedings for a period of two years in order that studies by independent agencies on the reduction of noise on new and existing aircraft, the development of STOL routes, as well as better utilization of agricultural lands, could be completed by the different organizations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there already has been a report of the nature that the hon. member suggests, which was made public just a few months ago. As a result of that, the House will recall that the government did not decide to freeze, to use the hon. member's word, but did take a decision which permitted the maximum amount of flexibility. It will permit the expansion required to meet the increased traffic which is certain, but no decision was made on that part of the expansion which had earlier been predicted, to take care of a much larger increase in traffic. This will permit the government the maximum amount of flexibility in the years to come to expand Pickering if necessary, and not expand it if it is not necessary. In the meantime, the commitment made to the people of Malton will remain.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, in light of the question raised by the hon. member for High Park-Humber Valley in respect of the disposition of a majority of people affected by that airport, I think it is essential that I put on the record that a very thorough survey was taken—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

[Mr. Jelinek.]

ROYAL CANADIAN MOUNTED POLICE

HAMILTON DREDGING CONTRACTS—REQUEST FOR TABLING OF LETTER DATED MARCH 13, 1975 FROM COMMISSIONER NADON TO SOLICITOR GENERAL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Prime Minister and relates to the Hamilton harbour activities and dredging irregularities. It is noted that over the past few weeks we have been trying to have documents tabled by the minister involved. Will the Prime Minister instruct the Solicitor General to table the letter from RCMP Commissioner Nadon which he read in the Standing Committee on Justice and Legal Affairs on March 13, 1975, which was really a chronological account of how the RCMP became involved in the matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, not having had the benefit of hearing the letter referred to or having seen it, I shall not give those instructions. If it is merely chronological, I am sure the substance of the information can be made known to the hon. member. As to the letter itself, I repeat, I do not know if it is of a privileged character but certainly an *a priori* communication between the commissioner of the RCMP and the minister would be privileged and would not be tabled in the House.

HAMILTON DREDGING CONTRACTS—REQUEST FOR TABLING OF LETTER DATED JANUARY 16, 1973 FROM MINISTER OF TRANSPORT TO SOLICITOR GENERAL

Mr. Lincoln M. Alexander (Hamilton West): A supplementary. In view of the fact that the minister—and he will correct me if I am wrong—indicated that he was prepared to file that letter provided names were deleted and "Xs" and "Ys" inserted, would the Prime Minister now discuss this matter with the Solicitor General to determine whether that latter at least can be tabled in the House?

I would ask the Prime Minister this second question. Would he now ask the Minister of Transport to table his letter of January 16, 1973, to the Solicitor General on the ordered inquiry into alleged irregularities in the Hamilton harbour activities, keeping in mind that the Minister of Transport in the first instance indicated that he would table that letter and that he subsequently reneged on that promise? Will the Prime Minister now discuss the matter with the Minister of Transport and see to it that the letter will be tabled?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will certainly discuss the matter with both ministers, but I repeat to the hon. gentleman that if the letters are in the nature of communications which happen intradepartmentally, and if they contain information which might be restricted or confidential, I would advise them not to table them.

HAMILTON DREDGING CONTRACTS—REQUEST FOR TABLING OF LETTER FROM MR. CAMPBELL TO SOLICITOR GENERAL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, a last supplementary to clear up this matter of

tabling of documents. Keeping in mind that the Prime Minister has now given an undertaking that he will discuss the matter with the Solicitor General and the Minister of Transport, will he also see to it that the Solicitor General tables Controller Jim Campbell's letter of August 30, 1972, and the report of the Hamilton harbour committee that was attached to that letter? In other words, this is the material that was submitted to the Solicitor General's office by Controller Jim Campbell of the city of Hamilton. Will he now look into this matter with respect to the Hamilton harbour activities, through the Solicitor General, and see whether those documents can be tabled?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am led to understand that Mr. Campbell's letter was marked "Confidential"—

Mr. Hees: After it arrived, Pierre.

Mr. Trudeau: —and therefore it would seem that it would be proper to respect that character of confidentiality unless Mr. Campbell himself wants to take that character away from the letter. I assume the hon. member has some influence around Hamilton; perhaps he could ask Mr. Campbell directly, rather than ask the minister.

Mr. Alexander: A point of order, Mr. Speaker. I have been advised by my colleagues that Controller Campbell indicated on television within the past two or three days that he would give his permission for the release of his letter.

Mr. Trudeau: Why doesn't he make it public?

Mr. Alexander: Would the Prime Minister now discuss this matter with the Solicitor General and see whether this material can be tabled now that the controller has given his permission?

BOOKLET ON INTERROGATION TECHNIQUES OF THE FORCE—INQUIRY WHETHER MINISTER APPROVES

Mr. David MacDonald (Egmont): Mr. Speaker, I have a question for the Solicitor General regarding the publication today by "The Cadre", a newspaper of the University of Prince Edward Island, of the information that a booklet on interrogation techniques of the RCMP, written by Chief Inspector A. R. Roberts of the Calgary city policy, is being circulated by the training and development branch headquarters, Ottawa. The booklet contains a series of brainwashing techniques, numerous stereotypes of suspects, derogatory descriptions of certain religious leaders, and is exceedingly and excessively sexist in attitude and comment. Is the minister aware of this document, has he approved it for general use by the RCMP, and will he table it so that members of the House may be aware of its contents?

● (1520)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not aware of this booklet but I will get a copy and report as quickly as possible.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. As, according to affidavits, I understand this book to be in general circulation at the moment, will the minister report to the House tomorrow in order that the circulation of the book may be terminated at once?

Mr. Allmand: Mr. Speaker, I will report back as soon as possible.

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AGRICULTURE

INDUSTRIAL MILK—REQUEST FOR DETAILS OF NEW POLICY

Mr. Arnold Peters (Timiskaming): Mr. Speaker, may I address a question to the Minister of Agriculture. As an industrial milk policy is to be announced by March 31, does the minister intend to make that announcement in the House tomorrow.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I answered that question yesterday. I said I will, if it is at all possible.

Mr. Peters: A supplementary question, Mr. Speaker. Has the minister developed the details of the new indexing program which he indicated will be linked to the cost of production? Also, will he say whether a consumer subsidy is being contemplated, in view of the increased price of industrial milk?

Mr. Whelan: Mr. Speaker, the hon. member will have to be patient and wait and see. If I told him that, there would not be anything to announce later.

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[*Translation*]

PUBLIC WORKS

THE MAINTENANCE OF RETAINING WALLS ALONG ST. LAWRENCE RIVER—MINISTER'S POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to put a question to the Minister of Public Works.

Since drifting ice on the St. Lawrence river causes a problem every year because of the retaining walls built by the federal government, hundreds of feet of which are in a very bad condition and even under demolition, can the Minister of Public Works tell the House whether he will take the necessary steps to assure the maintenance of these walls which, as I said, were built to protect riverside properties which will be damaged again during the year if nothing is done.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, the Department of Public Works assures the maintenance of these walls to prevent the erosion caused first by navigation and second by the buildings of the federal government. The erosion caused by these two factors is a matter of concern to us. I can assure the hon. member that we try to maintain the buildings already in place and to erect new ones where it is necessary.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary.

In view of the answer made by the Minister of Public Works that he relies on the causes of navigation or on federal government works, can the minister say for how long has the regulation establishing at 2,000 feet from the bank the transportation that could affect it been in existence? In determining federal government assistance for building retaining walls, does the minister take into account the speed and tonnage of ships, which have changed in the last several years and cause considerable damage to riparian properties, in spite of those standards established by the Department of Public Works? Does the minister intend to review that policy?

Mr. Drury: Mr. Speaker, we recognize the changes that occurred in the field of navigation and we are reviewing the standards from the engineering point of view. Therefore, we hope to have early confirmation regarding those standards.

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[*English*]

HEALTH

FAILURE OF SOME HOSPITALS TO ESTABLISH THERAPEUTIC ABORTION COMMITTEES—GOVERNMENT ACTION

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of National Health and Welfare. Considering the minister's recently stated concern that not all Canadian women are benefiting from the right to have therapeutic abortions, as permitted by Canadian law, and the government's desire to have Canada's abortion laws applied consistently by hospital therapeutic abortion committees, can the minister advise this House why a majority of Canadian hospitals still have not established therapeutic abortion committees to handle public applications, and what governments can do to correct the situation?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, hospitals come under the responsibility of the provincial governments. However, the hospitals are public institutions and in my view should provide those services that are demanded by the public generally in their areas. I spoke recently about the situation in Quebec, but I should also point out that the situation in several other provinces is not much better than that found in Quebec.

* * *

LABOUR CONDITIONS

INQUIRY WHETHER LONGSHOREMEN ON WEST COAST RECEIVED COPIES OF BILL C-56—REASON FOR DELAY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Labour. Have representatives of the two workers' groups on the west coast, the longshoremen foremen and the longshoremen, received copies of Bill C-56 and, if so, when did they receive them?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, certified copies of the bill are being flown to them now, and I except they will have them later today.

[Mr. Fortin.]

Mr. Fraser: A supplementary question, Mr. Speaker. As the bill was passed last night, copies of it were available even before that, so why was there this extraordinary delay in the communication of the bill to the people involved? I understand that until they have had a chance to examine the bill they do not intend to say what their action will be.

Mr. Munro (Hamilton East): Mr. Speaker, I am fully aware that certain union leaders have said they will not instruct their men to return until they see certified copies of the bill. That is why certified copies are now being flown to them. An earlier flight this morning could have been used to take out these certified copies; unfortunately, it was not used. I am advised, and I want to check this, that a wire was sent outlining the contents of the bill, and they have that. Now, certified copies are on their way.

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FINANCE

BALANCE OF PAYMENTS DEFICIT—GOVERNMENT MEASURES TO COUNTERACT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. I hope for one of his full, frank and precise responses. In view of our dismal balance of payments outlook and the substantial deficit in our balance of payments which we and the minister anticipate, do the minister and the Bank of Canada intend to offset this deficit in our balance of payments by pursuing policies which will encourage the inflow of capital and offset our balance of payments deficit on current account?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is on current account; the hon. gentleman is quite right. I mentioned a figure in the House last week when I anticipated that our current account deficit would be between $4 billion and $5 billion. In anticipation of balancing that deficit with foreign investment, I indicated two things: first, I indicated to the provinces that the guidelines set by my predecessor, when we were in a surplus position on current account and asking the provinces to restrict their borrowings first to the Canadian capital market and then to foreign markets, have been withdrawn. In other words, the provinces and provincial agencies are free to borrow wherever they feel they are able to get the best interest rate. Second, I extended the exemption from the withholding tax for a further period on governmental obligations, thus indicating that it is the government's intention to encourage investment by way of debt and, subject to the conditions of the foreign investment review legislation, equity, in order to improve the balance of our current account deficit.

As for the Bank of Canada, the bank acts as the government's agent on the foreign exchange account. The bank and the government are allowing the Canadian dollar to float, the value of the dollar to be set by market forces.

Mr. Stanfield: A supplementary question, Mr. Speaker. Do the minister and the Bank of Canada intend to encourage the inflow of the necessary capital to Canada by

maintaining a sufficiently attractive interest rate in Canada which will encourage investment in this country, even though that interest rate may not otherwise be particularly appropriate for the expansion of our economy?

● (1530)

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker. As the governor made clear in his annual report which was tabled in this House last week, the interest rate is designed to accommodate and encourage economic expansion in Canada but to avoid rates of monetary expansion that would provoke a resuscitation of inflationary pressures later in the year. The hon. gentleman will have noted the reduction in interest rates in the short, medium and long term throughout the past three months. I think the position is fully set out by the governor in his report.

* * *

NATIONAL SECURITY

GROUP RESPONSIBLE FOR SECURITY IN NATIONAL AND INTERNATIONAL FIELDS—RESPONSIBILITY OF RCMP

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Prime Minister with regard to national security and our security in relation to our involvement internationally. The Minister of Public Works talked about counter-subversive groups and the necessity to manipulate our estimates in order not to tip our hand. Is the RCMP the head of that group? Do they have sole jurisdiction or is there a group working under the direction of the RCMP with regard to national security or international involvement where national security is at stake?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is rather more involved than I could answer satisfactorily. Security and intelligence operations are essentially under the direction of General Dare who is the deputy commissioner of the RCMP. That is the extent of the information that I can impart to the hon. member.

Mr. Woolliams: Mr. Speaker, I have a supplementary question for the Prime Minister. I seem to have pried open a can of something. Is the RCMP the head of our national security group? That is a very simple question. Do they operate along the same lines as the CIA in the United States or the British Secret Service?

Mr. Trudeau: Mr. Speaker, I do not know how the CIA or the national security service of Britain operate; therefore, I am not in a position to answer the hon. member.

Mr. Woolliams: Mr. Speaker, this is a very simple question. Is the RCMP responsible for our natonal security? Surely the Prime Minister knows what I mean by that. If not, is it under the security planning group which processes information from the RCMP? That is a direct question. There is nothing secret about it. Surely, Canadians are entitled to that information.

Mr. Trudeau: Mr. Speaker, there is a cabinet committee on security and information which receives reports from the RCMP and looks at various aspects of security in which not only the Solicitor General and the RCMP are involved; National Defence is involved in one aspect, and External Affairs is involved in another. The whole operation of gathering intelligence means that we use whatever methods we can to gather that information.

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AGRICULTURE

FERTILIZER—REASON FOR INCREASED COST—GOVERNMENT ACTION TO REDUCE BURDEN ON FARMERS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Agriculture. It concerns reports that the cost of fertilizers has risen over the past three years by as much as 400 per cent. Would the minister say whether the government has been able to determine what has caused this phenomenal rise in fertilizer costs?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I hope to table tomorrow the fact-finding sheet that was prepared in the department.

Mr. Scott: In view of the vital role played by fertilizer in our agricultural industry, I ask the minister if the government is planning any measures to ease the pressure on our farmers as a direct result of these high fertilizer costs, especially at this time of year.

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

PORTUGAL—REQUEST FOR ASSISTANCE TO CANADIANS FORCED TO LEAVE WITHOUT THEIR POSSESSIONS—POSSIBLE RECOGNITION OF NEW REGIME

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Secretary of State for External Affairs. Since some Canadian tourists were forced to depart in haste and leave possessions behind during recent political troubles in Portugal, will the minister and our Canadian representatives in Portugal do what they can to see that the jettisoned belongings are returned to their owners? May I also ask if the new Portuguese regime is being recognized by Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am sure that our officials will co-operate in ensuring that Canadians are given every assistance in any eventuality that occurs. I am not quite sure of the new regime to which to hon. member is referring. Hopefully, an appropriate regime will be established in Portugal as a result of free elections to be held in that country at an early date. That is an expectation which I am sure the hon. member would support.

Oral Questions

LABOUR CONDITIONS

DATE OF PUBLICATION OF BAYDA COMMISSION REPORT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I wish to direct my question to the Minister of Labour. In view of the fact we have just completed a second legislative enactment to have people in the port of Vancouver return to work, and in view of the fact that two weeks ago I asked the Acting Minister of Labour to report to the House at his earliest convenience on the progress and recommendations of the Bayda commission with regard to labour-management relations, is the minister now in a position to advise the House what the situation is with regard to that commission and when we might expect some recommendations for the long run?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I received a report from Mr. Justice Bayda that he expects his report to be completed in the month of May.

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ADMINISTRATION OF JUSTICE

POSSIBILITY OF ACTION TO PROVIDE MEANS FOR COMPENSATING THOSE WHO SUFFER FINANCIAL LOSS AS RESULT OF STRIKES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Justice. It concerns the serious financial losses which innocent third parties incur as a result of legal and illegal strikes and lockouts. Is the government giving any recognition to this very serious and ever growing problem? Also, is any thought being given to developing some mechanism whereby innocent parties who are financially victimized by the actions of such labour disputes may have recourse to compensation, be it from management, labour or both? If not, why is this not being actively considered?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that particular question has been asked in this House in a number of different ways; there is nothing new in it. Naturally, the government is very conscious of the impact of strikes upon many persons, but has no new solutions as to how that impact may properly be borne.

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COMMUNICATIONS

B.C. TELEPHONE COMPANY—POSSIBILITY OF MINISTERIAL INTERVENTION IN RATE INCREASE APPLICATION OR DELAY PENDING INQUIRY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a question for the Minister of Communications. Has the minister intervened, or does he intend to intervene with the Canadian Transport Commission with regard to the requested 20 per cent rate increase by B.C. Telephone Company?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the British Columbia Telephone Company has applied, through normal channels, to the CTC for rate increases, and the government has certainly no intention to intervene before the commission has fulfilled its duties.

[*English*]

Mr. Leggatt: Mr. Speaker, the minister was requested by the British Columbia minister of communications to ask for a delay in the CTC considerations until such time as a study had been conducted into the pricing policies of B.C. Telephone Company, and a study conducted into the amount of money B.C. Telephone Company had sent to its parent company, General Tel and Tel, in New York. Is the minister's department willing to conduct a study into those two aspects which will not be considered by the CTC, so that that kind of information is made available to the public and the CTC before this rate increase is considered?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, I have already advised the British Columbia Minister of Communications that this investigation is in progress, that it should be completed within the next three months or so, which means, according to the schedule set by the Canadian Transport Commission, before this agency must decide on the rate increase applications submitted by the British Columbia Telephone Company. My British Columbia counterpart has been advised accordingly.

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[*English*]

POST OFFICE

POSSIBILITY OF ACTION AGAINST ILLEGALLY STRIKING LETTER CARRIERS—GOVERNMENT POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is for the Postmaster General. As Canadians have the feeling of "do unto others as you would have them do unto you", will the minister now assure this House that his department will take the same action against illegally striking letter carriers as they took against other employees on an illegal strike, and fire them?

● (1540)

Hon. Bryce Mackasey (Postmaster General): The hon. member has expressed his own sentiments, and I am sure they will be noted by labour as well as by management.

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EXTERNAL AFFAIRS

SAUDI ARABIA—INQUIRY WHETHER CONDOLENCES SENT ON DEATH OF KING FAISAL AND WHETHER CANADA REPRESENTED AT FUNERAL

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to address my question to the Acting Prime Minister. It deals with the tragic event in Saudi Arabia. Can the hon. gentleman advise us whether the condolences of the Canadian people have been sent to King Khaled, and will the Canadian government be represented

at the funeral of his late majesty, King Faisal? If so, by whom?

Hon. Mitchell Sharp (President of the Privy Council): All these matters are under consideration at the moment.

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LABOUR CONDITIONS

DATE OF PUBLICATION OF BAYDA COMMISSION REPORT

Hon. John C. Munro (Minister of Labour): I rise on a question of privilege, Mr. Speaker. The hon. member for Saskatoon-Biggar asked me when Mr. Justice Bayda's report would be in my hands and I said May. I unintentionally misinformed the hon. member; it will be in late June or mid-July.

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EXTERNAL AFFAIRS

VIET NAM AND CAMBODIA—REQUEST THAT GOVERNMENT PROTEST TREATMENT OF REFUGEES AND SEND ASSISTANCE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Secretary of State for External Affairs. As I remember the situation two or three or even four years ago, the government was making diplomatic protests and in other ways representing its concern in Saigon and Washington over the treatment of North Vietnamese—

Some hon. Members: Question.

Mr. Munro (Esquimalt-Saanich): —and the inhabitants of Hanoi in particular. What I should like to know now—

An hon. Member: Orders of the day.

Mr. Munro (Esquimalt-Saanich): —is whether there are any plans today to have our ambassadors in Hanoi and Peking, and perhaps also in Moscow, protest against the treatment of the Vietnamese and Cambodian people who are still, be it noted, travelling south to the territory under the control of South Viet Nam or else being besieged in Pnom Penh.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The hon. member has made a representation which will be considered. He must, of course, bear in mind that what is now occurring in South Viet Nam is a total collapse of the armistice which was agreed to, and that the only real solution to the difficulties there is a will on the part of the signatories to uphold the armistice and to seek a peaceful solution.

Mr. Munro (Esquimalt-Saanich): Surely we can stretch our humanitarianism to the point at which we are capable of responding to the plight of refugees seeking to avoid communist domination, just as we did when communist centres were being attacked. My question is this: are there any plans in train at this moment to send special and massive assistance by way of supplies of food and otherwise to the refugees who are fleeing from the invading communist armies, victims of this sad and apparently endless war?

Mr. MacEachen: As the hon. member knows, the Canadian government has supported humanitarian activities in Indo-China and has done so from time to time in the face of criticism from certain quarters. That humanitarian approach to assist the suffering and the innocent will be continued; this government will continue to respond to these humanitarian feelings.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

AMENDMENTS TO AMOUNT OF INSURED LOANS, TO INCREASE CAPITAL OF CORPORATIONS, ETC.

The House proceeded to the consideration of Bill C-46 to amend the National Housing Act as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Order, please. The motion to amend Bill C-46, the National Housing Act, at the report stage as listed on the order paper, refers to the first reading form of the bill. The reprint of the bill as amended by the Standing Committee on Health, Welfare and Social Affairs has now been received and is in the hands of all hon. members. The form of the motions, as put by the Chair, will refer to the reprinted version of the bill.

Mr. John Gilbert (Broadview) moved:

Motion No. 1.

That Bill C-46, An Act to amend the National Housing Act, be amended in clause 5:

(*a*) by striking out line 49 at page 2 and substituting the following therefor:

"as the corporation may approve and except on the condition that the rental agreement as established between the corporation and the original owner remains in effect for the full term."

(*b*) by striking out lines 2 to 7 at page 3 and substituting the following therefor:

"respect thereof

(*d*) the rental housing project shall be maintained at such standards as the corporation may prescribe in respect thereof; and

(*e*) the corporation shall have the right to terminate the agreement in the event that the owner of the rental housing project commits a breach thereof and in such a case when an agreement is terminated, the ownership of the rental housing project shall be deemed to have been transferred to the Corporation."

(*c*) by striking out line 10 at page 3 and substituting the following therefor:

"twenty-five years from the date of completion".

He said: Mr. Speaker, the amendment we are proposing is an amendment to clause five of the bill. The amendment which the government has proposed to the National Housing Act as set forth in Bill C-46 is outlined in the explanatory note which reads:

This amendment will enable the corporation to make contributions to owners of rental housing projects who have obtained loans from approved lenders if the owners have entered into agreement with the corporation under which they have agreed to comply with certain conditions relating to the operation of rental housing projects.

This clause refers to limited dividend builders. The purpose the government has in mind is to give subsidies directly to the builders of limited dividend housing. Mr. Speaker, may I go over with you the history of limited dividend housing across the country? For many years very little use was made by builders of the limited dividend housing provision. In recent years, more especially in the last two years, the government, recognizing a shortage of housing, has attempted to use the limited dividend provision of the National Housing Act as a means of persuading builders to build more homes. The amendment it proposes is, in effect, a direct appeal to the builders to build more homes under the limited dividend provision. The attraction offered to the builders is a direct subsidy provided they apply for a loan from an approved lender.

The history of limited dividend building has been a dismal one. In the past, very few houses have been built, and none would be built in the future were it not for the subsidies the minister is prepared to make available. This is the first time I have heard of a minister giving subsidies to builders—one would almost think these builders were living in a welfare state because of their poverty at this time. But, Mr. Speaker, the builders have never had it so good from the point of view of profits. The minister, who has been caught in possession of a very poor record with regard to housing starts, especially in the first three months of this year, is now bringing forward this amendment in order to encourage the contractors to build under this section. However, this is only on the basis that they are given a direct subsidy.

● (1550)

What really hurts is that the people who benefit from the subsidy are not the people who become the tenants in these developments. The people who benefit most are builders. It strikes me that if we are going to attack the problem of housing starts in Canada and try to solve the housing problem of low income people, then we have to take measures to protect this low income group, not only in the number of housing starts but also in the rent to be paid.

This is a very poor approach to solving the housing problem of low income people. The proper approach is to increase the amount of public housing in Canada, as a first step. The second step is to increase the amount of non-profit housing. The approach of the minister, in keeping with the philosophy of his party, is to give most of the benefits to the builders, so that the "haves" then have more.

Mr. Alexander: Mr. Speaker, I rise on a point of order. We are a little confused as to which amendment my good friend is referring at this particular time. Is he referring to the first amendment, motion No. 1?

Mr. Gilbert: Yes.

[Mr. Gilbert.]

Mr. Alexander: I would not have known it from my hon. friend's speech, but I suppose he will get to it eventually. I am not being sarcastic; I just was a little confused.

Mr. Gilbert: For the benefit of the hon. member for Hamilton West (Mr. Alexander) I am talking to the first motion. I am talking about the limited dividend developers who are being given a direct subsidy by the government so as to encourage them to build more homes. This is what we are opposing. The reason we oppose it is that builders under limited dividend projects enter into agreements with CMHC in regard to rentals for certain periods, usually 5, 10 or 15 years. I would not have some of the qualms I am now expressing if the agreement were for 15 years, but the practice has been, and I am sure will continue to be, to enter into an agreement for only five years.

Let me just draw a picture of the benefits that the developers get in this regard. First of all, they get direct subsidies on the interest paid on mortgages from approved lenders. This brings down the mortgage rate substantially. I suppose the answer of the minister will be that this is reflected in the rent charged the tenant. If this were the case, I would not feel too badly about it. But according to past experience, after the five-year period expires, the owner, who is the builder or developer, has the right to change the agreement. If he does so, the rents of the people in the complex, the apartment building, are changed. If they do not like it—and this has been the history of developers—the developers sell the building. They carve up the building into condominium apartments and then they sell it.

The builder who has received the subsidy on the mortgage from CMHC then sells these condominium apartments and makes a capital gain. That is the first great advantage that he gets. In the meantime, if he has lost any moneys he can claim capital cost allowance, and this capital cost allowance can be applied against any other income the builder may have. Experience has shown that when the building is vested in the owner, the developer, the building standards diminish substantially. There is no control over the building standards, as is the case when CMHC has control.

In addition to that, this is an inefficient use of scarce capital that the government has for housing construction. My authority for that is not only my party but the Canadian Council on Social Development. All the government need do is to get the Bank of Canada to underwrite a bond issue for $1 billion, pay institutions or private investors interest of, say, 9 per cent, and then use this money directly for the building of homes in the public housing sector, in the co-operative sector and in the non-profit sector. But no, the government would rather give money put up by the taxpayers of Canada to builders who are already making a large amount of money.

You will note, Mr. Speaker, that I said that the agreements that are entered into are usually for a period of five years. I also said as a result of experience we have learned that the building standards imposed by the builders cannot be equated with those imposed by Central Mortgage and Housing Corporation. The minister has put forward an amendment to try to bring these standards up to the standards of Central Mortgage and Housing Corpora-

tion, but we are still not prepared to accept the measure of control that CMHC is going to impose upon these builders to whom the minister has got down on bended knees and asked to build homes.

We want CMHC to impose standards that will ensure that these homes will be structurally sound for a good length of time. We want CMHC not to enter into a five-year term, giving the full benefit to the owners and developers after that period; we want the term to be 25 years so that a real measure of benefit will be passed on to the tenants, not to the owners.

It is bad enough that the minister is giving a subsidy to the builders. Not only that, but the mortgage insurance on these buildings will not be under the control of CMHC but will be passed over to the private sector. In other words, you have a situation where there is a real rip-off in regard to capital cost allowance. A subsidy is paid to the builder. There is no control over building standards. There is the possibility of a capital gain on the part of the builder after five years when the apartments are turned into condominiums and the people for whom the apartments were intended are driven out. You have inefficient use by the government of scare capital for housing for low and moderate income families. Lastly, mortgage insurance is passed from the public sector, that is CMHC, to the private sector, the insurance companies. Is it any wonder that we in the New Democratic Party feel there should be some guarantees given to tenants in regard to building conditions? Hence the first part of my amendment.

The second part of the amendment provides that CMHC should see to it that such standards as the corporation may prescribe in respect thereof are maintained. In order to put real teeth into this provision, if there is a breach of the conditions on the part of the builders the ownership of the property should pass directly back to CMHC. That is the only effective way of making the builder conform with proper building standards. Giving a builder the right after five years to turn the apartments into condominiums and sell the building at a capital gain is really too much. Rather than five years we say the period of agreement should be 25 years, and then the direct benefit of the subsidy will pass to the tenants.

● (1600)

I should close my argument on this part by pointing out that the limited dividend section has been used by the minister to advance housing primarily for middle income families, and this does little or nothing to provide a solution to the problem in respect of people of low income families.

I remember a speech by the minister to the Toronto Home Builders Association on December 3. At that time he expressed his concern by saying that almost 800,000 Canadian households spent more than 25 per cent of their gross income on shelter. He said what was even more disturbing was the knowledge that 107,000 tenant families with incomes under $3,000 spent over 50 per cent of their incomes for shelter. I am positive that this limited dividend section will do nothing for the 107,000 families who have incomes of under $3,000 and spend 50 per cent of their incomes for shelter.

I am in direct opposition to the philosophy of the minister who wants to pass on the benefits to the builders and developers rather than to encourage and help people in the low income group. It is rather striking that in the brief presented by the Ontario Welfare Council, which has been distributed to all hon. members, it is pointed out that the main target of the limited dividend section is primarily the middle income families. It suggests this is a rental program for middle income families which does nothing for the lower income group.

Surely, at a time when the minister is so concerned about the poor housing record for the first three months of this year, and when his 210,000 target is diminishing every month, he should be directing his attention to the public housing and non-profit sectors. For the minister and this government to give subsidies at this time to builders in order to encourage them to build more homes for middle income families is highly improper. For those reasons we have moved this amendment and have asked for the co-operation of members on both sides. We want the minister to change those aspects in respect of housing standards, and more especially to change the term with regard to the rental agreement from five years to at least 25 years so the benefits in housing may be passed on to the proper persons.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I understand and share the hon. member's concern about those who are spending a disproportionate share of their income on housing, including those with whom we are dealing and will continue to deal under our non-profit program, our co-operative program, our public housing program, our senior citizens program, and our AHOP program, to which an extension was announced recently.

I do not know whether the hon. member appreciates the purpose of this particular legislation, but it is intended to deal with what is emerging as the most critical single issue in the housing situation in Canada, and which affects people not actually in the poverty group, as we say, but Canadians on low incomes who are finding it impossible to find accommodation without spending a disproportionate amount of their income on rent. The intention is to try to increase the stock of rental accommodation in the country, which is perilously low at this time, running at less than two per cent vacancy across the country and below one per cent in many major urban centres. We want to increase the rental accommodation stock for all Canadians in order, if at all possible, to avoid increasing rents.

The hon. member referred to the inefficient use of funds. Let me suggest that this is a most efficient use of funds. I think it is important that hon. members appreciate the difference between this legislation, which is to use the private sector funding, as opposed to limited dividend funding, which we intend to continue because it has been successful in the past. This is a most efficient use of funds, because with subsidies in the range of $16 million we expect to attract somewhere in the range of $1 billion into the mortgage market for low rental accommodation. In fairness, I should say that the $18 million to attract $1 billion is divided between home ownership and limited dividend rental accommodation.

This seems to the government to be the most efficient way of using the taxpayers' money to get the greatest leverage possible. One should understand that we are dealing with private sector funds, to encourage building in that part of the market where there is an acute shortage and a need to get starts going on rental accommodation for the lower income group as quickly as possible. If one understands that, I think he can understand the balance of the argument.

As hon. members know, when I first assumed this portfolio last fall we experimented with a $50 million limited dividend rental program. We found there was an enormous response. As a result of discussions and studies we are now confident that there is a substantial amount of private funds that could find its way into the rental market, but only for higher income groups. This would not produce rental accommodation which the average Canadian can afford.

The intention here, therefore, is to apply the subsidies so as to encourage rental agreements with the owners who will accept those in lower income groups at lower rents. If the owner does not do that he does not qualify. This will be monitored by CMHC officers across the country so that we know the benefits are passed on to the tenants. If within five years the tenants' incomes increase, as they have continued to increase in Canada, we see little purpose in using taxpayers' money to subsidize their rents. In the meantime, we are increasing the stock of rental accommodation in Canada, which is important in trying to reduce the pressure on rents across the board.

The hon. member suggested that the owner could then sell out. If the hon. member will read clause 5(2)(b) he will see that the project or any part thereof shall not be sold or otherwise disposed of during the term of the agreement, except with the consent of the corporation and on terms and conditions approved by the corporation. By stating it this way we are discouraging those who are in the construction business building apartments from building these for low income people, but we can help that by subsidizing, and we hope that as their incomes increase, as they have constantly under Liberal governments, they will be in a better position to afford higher rents. In the meantime, they are being assisted and the landlord is bound to pass on that assistance.

The hon. member also refers to building standards. I think there is some confusion between building standards and maintenance standards. The building standards will be those of CMHC with regular inspections to make sure that standards are at a level of high quality and safety. In respect of maintenance standards, we require that they maintain adequate standards. The amendment would impose sort of a control over maintenance. Maintenance has not been found to be a major problem in the past as municipalities frequently monitor this aspect. We monitor it through the corporation, and certainly the tenants monitor it. We think it would be a built-in disincentive to provide a large volume of rental accommodation for low income groups whom this legislation is designed to attract.

● (1610)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I must say I am puzzled by most of the things the minister said. Let me begin by reminding members of the House that, despite all the minister's glowing predictions and assumptions, the fact is that every month since the minister took office the housing picture in Canada has become worse. When we were debating this bill several months ago, the minister was still talking about his target of 210,000 housing units to be built in 1975. Since that time, we have the official figures released, not by critics of the government, not by members of the opposition parties and not by organizations such as the Canadian Council for Social Development, but by the minister's department.

Here is a news release issued on March 10 by CMHC—with which the minister seems to have some slight connection although I sometimes wonder if there is any at all—entitled "Preliminary February Housing Starts" and marked "for immediate release". It reads:

> Housing starts during February were at a seasonally-adjusted annual rate of 156,600 for all areas, according to preliminary figures released today by Central Mortgage and Housing Corporation.
>
> Actual starts during the month in the urban areas were 5,031, a decline of 44 per cent from the 9,029 recorded for the same month one year ago.
>
> Starts of single detached dwellings during the month totalled 2,177, a decline of 48 per cent from February, 1974. Starts of multiple dwellings declined 41 per cent to 2,854.

So, while the minister is telling us that his objective is to have 210,000 units built and that his programs will accomplish this, in fact what we see is a startling and continuing decline in the number of housing units being built.

More than that, when you look at what the government is prepared to do, you see that the amount of money which the minister and the government propose for capital expenditures, and which they propose to give to CMHC, is increased for 1975 over 1974 by just 12½ per cent. That is just the amount of the increase in inflation this past year, and it is less than the increase in government expenditures for the coming fiscal year as compared with last year. The increase in government expenditures is 15 per cent, but the minister proposes to allocate only another 12½ per cent to CMHC. So, in fact, we will get less housing units than we did last year.

The minister says that, of course, the government is giving a subsidy of $18 million to builders and that will bring in another $1 billion into the housing industry. That, according to my arithmetic, is a subsidy of 1.8 per cent. Surely, the minister is not telling us that the housing industry, the land developers, the servicing of land, the actual building of houses and of rental units have been operating on such a small margin that $18 million, a subsidy of 1.8 per cent, will suddenly bring into the market $1 billion. The fact is the figures demonstrate that builders are not building individual homes, they are not building condominiums or apartment units, because the cost of a mortgage is such that there is not the demand which is required.

More than that, the minister is following a deliberate policy. The minister and the government have made a political decision. Perhaps in terms of where the votes are, it is a very sound decision. People in Canada have bought the myth, the idea, that everybody should aim to own their own homes. Therefore, people with incomes of $5,000 up to $8,000, $10,000 or $12,000 believe, because we have such

ministers as the present minister telling them that it is possible for them to own their own homes, that that is possible. So the minister has deliberately taken more and more money, which in other years was allocated for use in the building of public housing units, to devote to programs such as the Assisted Home Ownership Program. I am not critical of the minister trying to meet the needs of people who qualify under that program because they need housing, but they are people who are not anywhere near the bottom of the economic ladder. They are people who have not been able to own their homes and who have rented their homes. The minister proposes to take money, which in other years was allocated to public housing or to senior citizens housing, and put it into programs such as AHOP and to subsidize limited dividend housing.

What is the result of that? I do not have the figures in front of me, but according to the information which I have been able to obtain, every province has already been told by the government and by CMHC that they will have less money for public housing this coming year than they had last year. I am told, for example, that the province of Ontario and metropolitan Toronto had planned to build 8,000 senior citizens' units and 2,000 family units in 1975-76. As I have already said, the minister has decided that the middle income groups need help more, so now apparently the province of Ontario and metropolitan Toronto will only get enough money from the government—because they are cutting back on public housing money, on the kind of money required to build senior citizens housing developments—to build 2,000 senior citizens units instead of the 8,000 units which they planned to build, and 500 family units instead of the 2,000 which they planned to build. That is the effect which the government's program is having.

Last year, according to the analyses which have been made, 24 per cent of the CMHC budget was aimed at low income groups. This year, because of the increased desire of the government for programs such as AHOP, instead of increasing the percentage of money available for housing for low income groups, the percentage will drop from 24 per cent, which I suggest was much too low, to 22 per cent. This is the kind of decision the minister and the government are making Mr. Speaker. It is not because the need is greatest for programs such as subsidizing limited dividend housing, but because the minister and the government believe that that is politically attractive. Private industry is not interested in public housing or in limited dividend housing. The only time it is interested in that kind of housing is in situations such as we have today when, no matter what they do, the prospective private home owner or purchaser simply is not there. Then, when the regular channels have dried up, when the cost of land is so high that the potential private purchaser cannot afford to buy a house, when the mortgage rate is so high that the prospective purchaser cannot afford to buy a house and when the building industry and the developers are in trouble because the so-called free enterprise system does not permit them to operate profitably, they are interested in building public housing units. Only then are they interested in building limited dividend housing.

● (1620)

The minister has said that the government and CMHC will make sure that the housing units provided under this program will be up to standard. They have never done it up until now—and not just for limited dividend housing. How many ministers in charge of housing have promised legislation which would provide the purchaser of a home financed through Central Mortgage assistance with a warranty so that if he finds in a year or two that there are serious defects in the building he would have recourse? For how many years has that been promised by this minister and ministers before him? This minister said it was just a matter of a month or two, and now we find that there is nothing happening in regard to warranties. If a warranty cannot be provided to guarantee a purchaser under government programs that he is buying a house which is structurally sound, and which will not have major defects, how much more difficult will it be to provide guarantees on housing built by private builders? Private builders do not necessarily want to provide housing under government programs, but when they cannot get into other types of building, they make use of the fact that the minister is providing the money. What guarantees are there that CMHC and the government will do a better job than they have in the past on regular housing? And as my colleague, the hon. member for Broadview (Mr. Gilbert) says, why five years? Why not ten years or fifteen years or longer?

Governments in Germany and in Scandinavian countries are building housing units, and they are saying in advance that their housing units will remain in good shape for 100 years. The minister is saying that, because he cannot get the builders to build for people who cannot afford to pay the market price, we must build limited dividend housing and give subsidies. But the government does not give the subsidies to those people who cannot afford to pay the rent; the subsidies are given to the builders. Moreover, the government does not require the builder to guarantee his work for a period of more than five years. Surely, we have our priorities backwards. I do not suppose we will ever have enough money to put into housing, but surely whatever money there is should be spend for those people who need housing the most; that is, not for people who hope to be covered under AHOP, not for people who will be covered by limited dividend housing, but for people who need housing the most.

It could be a lot better and should be a lot better for people for whom we are supposed to have been providing housing under our various public housing programs. Surely, that is where the money should have been directed. Surely, the minister could have done that, but if he is going to put the money into limited dividend housing, which I and my colleagues think is a mistake, then he ought to ensure that the limited dividend housing which is built will be of a standard of which we will not have to be ashamed as we have up until now. The minister shakes his head. The fact is that a great deal of the limited housing developments built in the past under other ministers were clearly inadequate, and I am sure not planned to stand for 100 years. As the years go by, we can see as we walk or drive along our streets how inadequate those housing units are.

Mr. Danson: Just so that the record is straight, Mr. Speaker, the hon. member for Winnipeg North (Mr. Orlikow) said that I shook my head. I should like to record that I nodded my head. I agree that standards must remain high.

Mr. Orlikow: I wish the minister would put his money where his words are. I wish I could believe this minister. I wish he would live up to the assurances he is giving us today in a better way than previous ministers in charge of housing. Liberal governments have been in power for 12 of the 13 years that I have been here, and all of them have been subjected to the same kind of situation and the same criticisms and suggestions. Members of the opposition are here to criticize and attack the government, and members on the government side are here to defend the government. The fact is that these suggestions have been made by members of parliament and by provincial governments regardless of their political stripe, whether it be Conservative in Ontario, Liberal in Nova Scotia, Social Credit in British Columbia or Alberta or NDP in Saskatchewan and Manitoba.

Mr. De Bané: On a point of order, Mr. Speaker, I think that the hon. member will admit that what he is saying now is really not related to the amendment. I am sure that everyone in this House would like to see the bill passed before the recess. We have only 24 hours left. I am sure that everyone wants to make an effort to speed up the process. I think the first step should be that our speeches are related to the amendment.

Some hon. Members: Hear, hear.

Mr. Baker (Grenville-Carleton): On the same point of order, Mr. Speaker, I think that the parliamentary secretary's point is well taken. I hate to say that because so many of his points are not well taken. I think it is important that this legislation move forward. I do not suggest that it is everything the minister has painted it to be, but perhaps experience will prove otherwise. Nonetheless, this legislation has been put before us and it has gone through committee. We are now at report stage. I think perhaps it is time we addressed ourselves to the amendments placed on the order paper by the New Democratic Party and stopped this silly filibustering.

● (1630)

The Acting Speaker (Mr. Penner): The hon. member for Winnipeg North Centre on the same point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the hon. member for Grenville-Carleton make the same speech when they talk incessantly on Bill C-8?

The Acting Speaker (Mr. Penner): Order, please. I think the points of order raised are in order and appropriate to the debate. All hon. members will be aware that this is not a general debate on housing; we are specifically paying attention to clause 5 of Bill C-46 and the particular line mentioned in the amendment. It would assist the proceedings immeasurably if remarks were directed to that point.

[Mr. Orlikow.]

Mr. Orlikow: Mr. Speaker, it seems to me that if I were out of order during my remarks just now, I may have been out of order earlier when I was talking about the fact that this government is determined to spend money on AHOP rather than public housing. When I was interrupted, however, I was talking about the fact that there is nothing in this legislation and nothing in the record of Central Mortgage and Housing to indicate that they will police the limited dividend housing projects which the minister hopes will be built. That is precisely what I was talking about and I believe I was in order.

The parliamentary secretary was in a hurry when the bill was being debated on second reading; he was in a hurry in committee, and he is in a hurry today. But I want to assure him that we are going to let this bill through before the recess, Mr. Speaker. I wish that he would occasionally show that he means the things he says, and that he would show more concern about the kind of people who are going to live in the limited dividend housing than he does for people here in parliament or those who can afford to build their own homes.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Penner): The question is on Motion No. 1 (Mr. Gilbert). All those in favour of the said motion please say, yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): All those opposed please say, nay.

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Pursuant to Standing Order 75(11) a recorded division on the proposed motion stands deferred.

Mr. John Gilbert (Broadview) moved:

Motion No. 2.

That Bill C-46, an act to amend the National Housing Act, be amended by deleting clause 5.

He said: Mr. Speaker, I tried with all my Irish persuasion to have members of the House accept the first motion which I thought was a reasonable one. It was not accepted, so this is a second attempt to appeal to the reason of hon. members on a very important point. I raised the point in the first motion. I want to delete the entire section which provides subsidies to private builders of rental housing, and I have set forth my reasons. Builders have had a heyday with regard to capital costs and allowances. We are now going to give them subsidies, but we are not going to have any control over construction and maintenance standards. After five years we are going to give them the opportunity to sell these units that they are renting to tenants and they are going to make a capital gain. This is a

very inefficient use of the capital available for housing. The government has added insult to injury by passing the mortgage insurance on to the private companies rather than retaining it in the control of CMHC.

Those were the main arguments I used on the first motion, and they are the main arguments I put forward on the second motion. I repeat, we have a problem in Canada with regard to housing. I am glad the Postmaster General (Mr. Mackasey) is here because he is a man of intelligence and compassion and I want to direct my remarks to him.

We have a critical housing situation in Canada. The situation as outlined by the Minister of State for Urban Affairs (Mr. Danson) shows that it is the people in the lower income groups who are affected. The Postmaster General is concerned about these people and we in the New Democratic Party say that the moneys of CMHC as well as private money should be directed to taking care of those people.

The Minister of State for Urban Affairs has said that over 800,000 people pay more than 25 per cent of their income for rent. He said that 107,000 people who earn less than $3,000 a year pay 50 per cent of their income for rent. We say that these moneys should be directed to two sectors—the public housing sector and the non-profit co-op sector. Is anything more reasonable than that?

May I point out what the minister has done, Mr. Speaker? In December he issued a statement to CMHC setting forth that the federal rental housing program had produced 18 projects for family housing. At that time he attempted to use CMHC money to build housing units for family rental, more especially for the lower income groups. I am sure the Postmaster General will be concerned, because he is concerned about low income people in Toronto.

This is what the Minister of State for Urban Affairs did, Mr. Speaker. He had Green Glen Developments build an apartment complex at the northeast corner of Jane and Finch streets in Toronto and gave CMHC $12,278,000 to build 229 one bedroom units, 66 two bedroom units and 132 three bedroom units. He wants to solve the problem of low income people by building a 33 story complex to house them. I am sure the Postmaster General knows how he would feel if he were one of the people living in that 33 storey building with a family. I am sure he can fully appreciate the social problems that will flow from that type of development.

This approach to rental housing only creates social problems and should not be permitted. Loans to the builders are given at 8 per cent for 15 years. If the minister wants to build homes for low income people, he should provide a low interest rate. If the minister wants $1 billion for housing, he can get it. He should say to private institutions like banks, insurance and trust companies, "You have a social responsibility to fulfil to those on low incomes and you should assign a certain percentage of your money to such people at low interest rates." That is what the minister ought to do. But does he do it? Not for a minute, Mr. Speaker. He goes to the builders and developers—

● (1640)

Mr. Benjamin: Cap in hand.

Mr. Gilbert: —cap in hand and says, "Will you please build these limited dividend homes. If you do, we will enter into an agreement with you and, at the end of five years, you can change the rents or sell those apartments and make a capital gain. If you incur any capital losses in the meantime, you can write them off against any profits you might make from this project. Further, we will not ask you to obey the sort of strict CMHC building standards which have prevailed in the past."

I appeal to the sensibilities of the Postmaster General. Surely, he does not support this type of bill which provides for subsidies for five years. After five years, the builders are to be released from almost all of their obligations. Most of their commitments under this legislation will end. If ever the Postmaster General should stand in his place and vote in favour of an amendment like the one we are proposing, it is now. I appeal to him, to other ministers, and to backbenchers of the Liberal and Conservative parties to do the same.

Surely, we can meet our social obligations in Canada. Can we not house our poor on the basis of limiting builders' profits? Can we not erect buildings which conform to adequate building standards and which will last for many years? I shall watch anxiously, when the vote is taken, to see how the Postmaster General and other ministers vote on the amendment.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the hon. gentleman had a lot of fun at the Postmaster General's expense, which is quite normal these days, almost as much fun as I had when considering the hon. member's dual policy on industrial relations, a dual policy made evident last evening when he and members of his party voted in favour of ordering striking longshoremen in British Columbia back to work. He and his colleagues were being pragmatic.

The minister is a man of compassion—I say this sincerely—and he is trying to be realistic in housing policies. Ideally, I suppose everyone in this country should live in a nice, self-contained bungalow, on a lot 50 by 100. Many of us bought homes like that after the end of the second world war, when land was reasonable. I myself bought one through Central Mortgage and Housing; even then the mortgage was not easy to pay.

Most of the present ministers' policies are aimed at helping low income families. He has tried to induce private funds into the market, in an effort to see that the private industry assumes its social obligations. I understand the hon. member's point about a 33-storey apartment building. But we must face reality; look at things as they are in the centre of Toronto. Land there is very expensive. I suppose the alternative to the hon. member's scheme is to say that because land is so expensive in the centre of Toronto, because it is so expensive to build anything in the heart of Toronto, poor people in the Toronto area must live 55 miles from the centre of the city.

Mr. Gilbert: I was referring to a project which is already 20 miles from the centre of Toronto.

Mr. Mackasey: Perhaps part of the problem is that the Tory government which has been in power for the last 35 years in the province has not been intelligent enough to

take advantage of this government's land banking program, which it has known about many for years. Or, if that government did release land, it did not release it for the right type of housing, as is obvious.

An hon. Member: Filibuster.

Mr. Mackasey: No, Mr. Speaker, there is no filibuster. I will sit down, then vote for the amendment with a clear conscience, particularly as I know the minister intends to direct as much public and private money as possible into the market, so that we can help people who depend on rental housing to acquire suitable accommodation.

The minister knows my views. He knows we should be spending millions of dollars more in New Brunswick, Nova Scotia, and on the north shore of New Brunswick. The minister is the one who educated me to these facts during many meetings in cabinet. He, like everybody else, must do the best he can with the money at his disposal. Let me say that, at the present moment, the government's number one priority is to spend money in the housing sector, in order to stimulate the economy. That action is necessary, as I think the Leader of the Opposition (Mr. Stanfield) and the conventional wisdom will concede, given the current phase of the business cycle. The government wants to meet its social obligations and a greater proportion than ever of housing money is being directed to people on low income, and particularly to people who, because of circumstances beyond their control, are forced to depend on subsidized housing.

Instead of castigating the minister, we should be thankful that we have a minister of such compassion responsible for a sensitive social portfolio.

Mr. Gilbert: On a point of order, Mr. Speaker; the 33-story complex to which I referred, and about which the Postmaster General talked, is not in the centre of Toronto; it is in the suburbs, at least 20 miles from the centre.

Mr. Mackasey: Mr. Speaker, it makes no difference whether the complex is 20 or 50 miles from the centre. Perhaps, logically, it ought to be 75 miles from the centre. I am sure that there is no room for any sort of housing in the heart of Toronto, no room for poor people's, rich people's or anybody else's housing. Perhaps there is no room because of past poor town planning. The hon. member is asking the parliament of Canada to think for the government of Ontario, which did not have enough intelligence to provide for proper zoning regulations in that community, and make it possible for people to live in the heart of Toronto. That, of course, is one of the problems with big cities in this country.

Our people, unlike people in Europe, no longer live in the hearts of our cities. We should be fighting to bring people back to the centre of our cities, instead of building high-rise and office buildings. At night, after six o'clock, the centres of our cities are like dark canyons. I agree with the philosophy. I think everyone in the House does. But you must face reality.

The Acting Speaker (Mr. Penner): Order, please. I had assumed we are discussing some sort of point of order. It escapes the Chair exactly what the point of order is.

[Mr. Mackasey.]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, let me say to the Postmaster General (Mr. Mackasey) that we hoped that, with the appointment of a new minister in charge of housing, we should see a fundamental change from the sort of housing policy the government has followed for the past number of years. We hoped for a change in the direction of the Canadian housing policy, and we do not have it. We are witnessing more of the same. Let us not forget the point of the amendment, the point which the Postmaster General forgot to mention. It is this: we should quit subsidizing those who do not need subsidies. Instead, we should put more of the money we save into low income and limited dividend housing. That should stimulate housing starts in Canada and represent a change in policy. Such change in policy is long overdue.

The Postmaster General is concerned about basic human rights, about which the people in this country and members of the United Nations are also concerned. But is not a basic right the right to decent housing? Apparently that right is not extended to low income people. Under this government the developers have the right to charge all the market will bear and speculators and developers have the right to do their worst. You know, the money changers were driven from the temple 2,000 years ago but they "snuck" in through the back door under this government's housing policies.

● (1650)

A fundamental change is necessary with regard to how we are going to develop housing for low and middle income families sufficient to meet their needs. This will not be accomplished by following the same method we have been using since the end of World War II. It is not going to happen. By following the concept of charging all that the traffic will bear and allowing usurious interest rates to be levied against people with low and middle incomes, we will not succeed. The subsidies now being provided for the industry, the builders, developers and land speculators, should be used to subsidize interest rates for low and middle income families. Those earning less than $8,000, $9,000 or $10,000 a year should get an interest rate on their mortgages of 6 per cent. They would then get their houses built. They would either build them themselves or hire developers to build them.

There should be a freeze on land prices in our cities and the suburbs. We should quit allowing land to change hands two or three times through interlocking companies with a markup each time. We should put an end to the uncivilized and inhuman situation of allowing a 50 by 100 foot lot to sell for $10,000, $15,000, $20,000 or $30,000. That is not free enterprise. That even flies in the face of the principles and concepts of members opposite, but yet they perpetuate policies and legislation that continues along the same line. That is why we are trying to put forward these amendments.

The Postmaster General (Mr. Mackasey) knows the situation for low and middle income earners. He has worked with those people. In fact, he lived in those circumstances. The red herrings that the minister dragged into his remarks do not help. As one of the leaders in cabinet, I thought he would try to persuade the minister responsible for housing and his other colleagues to make the fundamental change in housing policy that is required so that

we can really put up houses for those who need and are able to pay for them.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the minister sponsoring this bill. Within the last few minutes I saw a report in the London *Times* regarding an announcement that was made by the British government in co-operation with the Greater London Council which was based on their experience. That is a small country with a large population. The city of London has more than ten million people. Governments in that country have traditionally built a much higher percentage of the housing stock for rental than has ever been dreamed of in Canada. They decided they would no longer build high-rise apartments for family dwellings.

I have a question for the minister which I hope he will answer. Has the minister and his officials in his department and CMHC really considered the effects of putting families into 33 storey apartment buildings? I am talking about the social effects on families with two or more children living in three-bedroom apartments in buildings of this size. Has consideration been given to the problems of policing and everything else that will arise as a result of putting hundreds of families with two or more children into 25, 30 or 33 storey apartment buildings? Will the minister assure the House he has given some thought to this and tell us something about the effects of that kind of planning.

Mr. Danson: Mr. Speaker, I believe this amendment is trying to accomplish what the first one tried to accomplish. The other tried to dissect the clause. This tries to eliminate the clause completely. I made my remarks with reference to this previously. They still stand. It is a difference in understanding.

I believe this is a gross misinterpretation of the diversion of government funds. Government funds are going entirely to low income Canadians. Private sector money is coming in as well. A 1.8 per cent or 2 per cent spread in interest rates is very important to anyone building apartment accommodation which we want to have built for all Canadians, especially those with low incomes.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): The question is on Motion No. 2 of the hon. member for Broadview (Mr. Gilbert). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Penner): All those in favour of the said motion will please say, yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Royal Assent

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Pursuant to Standing Order 75, the recorded division on the proposed motion stands deferred.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: The hon. member for Simcoe North (Mr. Rynard)—Health—Possibility of provinces sharing cost of chronic care hospitals; the hon. member for Windsor West (Mr. Gray)—Energy—oil—Request for investigation of possible fraudulent increase in import prices; the hon. member for Lethbridge (Mr. Hurlburt)—Agriculture—Request government not make change in grades of beef purchased for armed forces.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Penner): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed the following bills: Bill C-54, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975; Bill C-55, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1976.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. Penner): I have the honour to inform the House that I have received the following communication:

Ottawa, March 25, 1975

Sir:

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his

capacity as Deputy Governor General, will proceed to the Senate chamber today, the 25th day of March, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General

The Acting Speaker (Mr. Penner): It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, private bills and notices of motions. Shall orders Nos. 167, 3, 4, 10, 17, 21 and 24 be allowed to stand and retain their precedence on the order paper?

Mr. Herbert: Mr. Speaker, I rise on a point of order. It is extremely difficult for members of this House to have any knowledge of what is being discussed in the hour that is allocated for private members' business. The procedure set out is that the order is supposed to be followed. We are continually being asked for unanimous consent to pass over bills. Your Honour has already listed Nos. 3, 4, 10, 17, 21 and 24 which have been on the order paper since October 15, 1974. I do not believe it is in the interest of hon. members to continue this procedure. I think at an early date we must ask the members to proceed in the order in which the order of business appears on the order paper.

PRIVATE MEMBERS' PUBLIC BILLS

CRIMINAL CODE

AMENDMENT TO BRING BROADCASTERS WITHIN PROVISIONS RESPECTING OFFENCES THAT TEND TO CORRUPT MORALS

Mr. Gordon Towers (Red Deer) moved that Bill C-230, to amend the Criminal Code (obscene broadcasting), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

● (1700)

He said: Mr. Speaker, the purpose of this bill is to bring broadcasters, referring specifically to CBC television, within the Criminal Code provisions respecting offences that tend to corrupt morals. This simply means that the general public would be provided with an avenue through which such person or persons could be charged with a criminal offence. There is no intent here to define what is obscene, immoral or indecent—that is the responsibility of the code of law.

At present there is no vehicle available to the Canadian taxpayer to effectively control CBC programs for which they are forced to pay an increasing amount each year. They can only express their opinions to members of parliament or to the CBC but, due to the protection that Crown corporations enjoy through lack of government interference, and under the cloak of the Canadian Radio-Television Commission, their complaints prove to be an exercise in futility. If the CRTC would follow a set of guidelines established by the majority of Canadians, and if the CBC could be held responsible for its actions, this type of legislation would not be necessary.

You will note, Mr. Speaker, that this bill is aimed at the CBC, the expenses of which could be construed as a levy of $15 on every man, woman and child in Canada, or an expenditure of over $350 million this year. When people pay for a product, they have the right to a product they can appreciate and enjoy. Unfortunately, in the minds of taxpayers, during the past five to seven years there has been rapid and continuing depreciation in the value of the CBC. In this age of technology, knowledge should be increasing and improving—there are greater opportunities to learn. Why then should we have vulgar and corrupt programs inflicted upon viewers by this publicly-funded outlet? I cannot accept the two-bit statement of those who ask if there is not a switch on a TV set or, if CBC productions are so objectionable, why is it requested to extend into new areas. Anyone who makes this type of remark is missing the point entirely, as is the Secretary of State (Mr. Faulkner) who merely says he will relay the complaints of MPs to the CBC.

If criticism had any effect at all on the CBC, we would not be required to bring up such matters in this House. Why should anyone in this country have to turn off his TV because of a despicable CBC program for which he is paying? As long as the CBC is a Crown corporation, operated by public funds, it has a responsibility, as does the government, to provide satisfactory programs for residents in every area of our country. If the CBC will not furnish acceptable services out of the millions of dollars it spends, why not sell it to permit a private firm to provide enjoyable entertainment? At least then taxpayers' dollars would not be involved.

Mr. Speaker, it is not necessary for me to take time to give more details to this House, because members of parliament are well aware of the dissatisfaction of constituents, and in some cases of their anger, about CBC shows. Time does not permit me to list the numerous objectionable productions emanating from that corporation, but I do want to focus attention on one in particular—The Ten Lost Years—which was apparently an attempt to depict the hard years of the thirties. While those were difficult years, they were not lost years for those who struggled through them. "Lost" could better be applied to those whose thinking is so badly warped they could not portray what did happen during the depression due to inability to comprehend; instead, they foisted their interpretation of life today on those earlier years.

I would like to read, now, a letter which was addressed to the CBC, a copy of which I received:

Sunday evening productions under the guise of 'Canadiana' (not to be confused with either drama or entertainment) are consistently so bad that I, for one, am asking the Minister of Communications and Transport, and also my local member of parliament to get you off the air. 'Ten Lost Years', your effort of last evening, indicated clearly the group of alleged performers lack both direction and talent; even the minor character parts were terrible.

Mr. Speaker, the most unfortunate aspect of that entire program, other than its vulgarity, was neglect in not portraying the down-to-earth philosophy of our countrymen who brought Canada through those troubled times. The depression of the 'thirties was world-wide; it was not unique to us in Canada, and we have to accept that fact,

but added to the woes of western Canadians was the drought which hit the prairies. The only drought revealed in the "Ten Lost Years" was the dearth of facts, and the drought in the minds of its producers.

The producers used the setting of the hard times of the 'thirties to place emphasis on the standards of a sick segment of our society. I want to quote from a letter which reads:

> Today a percentage of our society has a tendency to render the minimum of service for the greatest possible gain. Thoughts of making a contribution are completely lacking, and to say this unfortunate philosophy extends throughout the world of today, or that it is worse in other countries, is really a poor excuse for having it obtained in Canada.

Canadians who lived through the drought and the depression of the thirties did not ask for, expect or receive government handouts which are ordinary procedure today. They faced the difficulties of those years with fortitude and determination; defeat was not part of their make-up.

"Ten Lost Years" did not depict the shipping of carloads of vegetables donated by residents outside the drought area to the needy; it did not depict farmers removing their remaining physical resources in covered wagons several hundred miles to a new land, without complaint, to start again; it did not depict the endless hours of toil, all to no avail because tractors were sitting idle in sheds or fields without fuel to operate. Horsepower had to be relied upon to till the soil. The program did not show the farmers who managed to feed their stock using horses to build roads to work out their taxes; it did not show women, urban and rural, taking picnic baskets to community picnics without cost to anyone to enjoy ball games and other sports at a time when such tremendous value was placed on fellowship. The show did not depict Saturday nights when those fortunate enough to possess radios waited with anticipation to welcome neighbours to hear musical programs of fun, of class and moral fibre; it did not portray crops being blown out by the roots and fences completely buried by topsoil, powder-dry for lack of moisture. No mention was made of the fact that the Canadian Wheat Board came into its own in those years, or that the Bank of Canada was founded for the benefit of Canadians. No, the creators of this falsification did not do so because, even with their expertise at degrading, which was their obvious goal, they could not penetrate either corporation.

Mr. Speaker, the CBC sacrificed a wonderful opportunity to provide entertainment of educational worth and vivid recollection and, either due to lack of initiative or disregard for reality, chose to place emphasis through calculated deception on immorality and obscenity in a complete distortion of the truth. Canadians who know, through experience or otherwise, what actually did happen in the 'thirties are not willing to have their tax dollars spent on programs neither suitable for viewing nor factual. This bill, if passed, could be the basis of control over productions which exceed approved limitations. I trust my proposal will receive the support of all good parliamentarians.

• (1710)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Madam Speaker, I am quite moved by the warm welcome I am receiving. I am pleased to say a few words on Bill C-230 introduced by the hon. member for Red Deer (Mr. Towers) who has just stated why he introduced this bill.

Its purpose is to amend the Criminal Code to make it perhaps even more illegal than it is already to broadcast obscene representations and matters. I would like first of all to congratulate the hon. member for his courage in introducing such an imaginative bill in this House. I appreciate that he certainly represents the views of the voters in his riding. Having recently sat on the Committee on Broadcasting, Films and Assistance to the Arts, I know for a act that several members are concerned about having received mail from their voters about dramatic programs that were shown on the national network, and particularly the English network of the CBC.

I know the hon. member certainly received mail from his constituents, and as their view corresponds no doubt to his, he moved in the direction he did today, and I can only commend him for that. However, I am not sure myself I share the same views. The hon. member's purpose is commendable in that it states in this House what seems to be a regional concern. On the other hand, the bill he introduced, if passed, would have a national bearing, and that bothers me somewhat. I also represent people from downtown Montreal, people who never miss an opportunity to let me know, as their member of Parliament and chairman of the Committee on Broadcasting, Films and Assistance to the Arts of the House of Commons, when they are not satisfied with programs they see on the national network and the private networks.

However, in the case of programs referred to, namely "Ten Lost Years" or other programs recently mentioned at the Committee on Broadcasting, Films and Assistance to the Arts such as "Baptizing" and other programs whose names I forgot, I did not receive any adverse comment from my constituents. I do not think there was much either in Ontario. It was at both ends of the country, more especially in rural areas of Canada, that those programs disturbed the people.

Now, I already see a weakness. The member is concerned by an apparently regional problem. I do not think that hon. members—after all, they do represent the entire country—will blindly pass such a bill.

For the information of some members who did not have the opportunity to attend the last sittings of the Committee on Broadcasting, Films and Assistance to the Arts, I repeat some views put forward by the CBC authorities on the lewdness or alleged lewdness of some programs. For instance, Mr. Picard said that it is difficult, in this day and age, if the corporation truly wants to discharge its mandate and depict our Canadian society as it is today, to picture only the bright side of things because, unfortunately, our society also has its dark side.

What is news? As always, more often than otherwise, violence if not obscenity. But some would have the corporation overlook, in its productions, that aspect of Canadi-

an society; still, it is very real; that was one of the points Mr. Picard made.

He made another with regard to the artistic value of some plays broadcast, on request, by the corporation. Some of those plays have undeniable intrinsic value; still, it happens that in the course of the performance sex or violence are displayed.

In my opinion, if the play as a whole is not only an excuse for sex and violence, but tells a story which is logical, which makes sense, and which has an artistic value, I do not see why it should be rejected outright simply because there is a scene here and there of sex, for sex is an integral part of our lives. This does not mean that productions must be filled with sex, but I feel that we should not fall head over heels because we see a breast on the television screen, for these are quite normal things.

Do we want our state-run broadcasting system to waste its time depicting a Victorian style society which no longer exists, which falsely tries to show us a society which is made up of angels and which has nothing in common with reality? We do not expect that from our national broadcasting system, and we do not want it to become something like Molière's Tartuffe,. if you know what I mean.

There is a question I wish to ask all hon. members. Should we censor the media? As a matter of principle, I feel that it is important to stop there. Films are no longer censored in the province of Quebec. Once they have been screened, they are either accepted or rejected in their entirety. Films no longer get clipped as they used to be. A decision is taken as to whether the film is acceptable or not. Those which are deemed acceptable certainly contain scenes which some people can normally be expected to find offensive. Otherwise, if you do not want to offend anyone, you will not show anything daring, and you will probably end up displeasing those who would like to see daring scenes. You cannot make everybody happy. And yet, a middle-of-the-road policy is certainly not impossible bearing in mind that viewers always can exercise a control over what reaches their households through electronic media. The listener who doesn't like a program has ample freedom to turn off his set, watch another program, read his paper or even do at home what he does not like to watch on TV.

● (1720)

I wonder if we should censor media and run the risk of hindering creativity. In all media there are devoted people whose work it is to show people what comes out of their creative minds, to show things with an artistic value. Frequently, the shows which are programmed are based for instance on books, on novels. For example, everybody heard about a film entitled *The Carpet Baggers,* of course a very bold one. Yet the film was based on a novel which was a best-seller. If everybody rushes to buy that book, how could a film producer be smitten with remorse and regret or ask himself a million questions before he starts shooting his film?

Media may be censored if the matter arises, but whoever does so should wonder what the results may be from a creative point of view. It can be done, but only after it has been thought over.

[Mr. Guilbault.]

Do we want to run the risk of describing an artificial society, I shall refer to it presently, a holy society that does not exist? All kinds of directions can be given to our media. Parliament can even force them, if it so wishes, to show nice things only. We know that in other countries, national television corporations used to show the people nothing but nice things; but of course those nations came to require more freedom, and certainly the intention here is not to restrict the freedom of the media.

Finally, the basic question arises: Are we to take the decisions for the people? The decision to watch or not to watch TV, to turn the radio on or not to do it is a personal decision, a matter of choice very easily exercised by the people. They can be deprived of that choice, but we should first ask listeners and the general public whether such is their wish. I do not believe that such a decision can be taken in the course of this kind of one-hour debate. I am not inferring the decision would be intrinsically bad, if a majority of Canadians were to tell us: Choose what we are going to see. Maybe that decision will be made in the future. But before acting, we should await the order to do so.

I would emphasize at this point that the Criminal Code, contrary to what the hon. member for Red Deer apparently feels, already includes a number of provisions on obscenity. Criminal charges may already be laid in cases of obscene showings on television. Through this bill, the member seeks more specific measures. This is of some concern to me, because creativity could be restricted in the process. Television and radio producers already live under some sort of threat. In addition to the Criminal Code, the Canadian Radio-Television Commission has coercive powers much more effective than amendments to the Criminal Code. The CRTC already established regulations on obscenity, and they can even suspend media licences. That is much more serious than putting an employee of the medium in prison for a month. This sword of Damocles is much more likely to make owners of media think twice than the proposed amendment to the Criminal Code.

Since provisions to that effect already exist in the code, I wonder if the bill is not more an answer to a purely political and regional problem, about which some members are understandably concerned. I am willing to be tolerant and to accept their point of view, but I would also like them to accept the point of view of those who are not concerned, who watch television openmindedly, and who are able, when they are not satisfied, to turn it off without asking the government to do it for them.

Today's debate, Madam Speaker, will certainly be useful. Obviously the CBC is already aware of this debate. Its president and senior officials will certainly read carefully what was said here and will be alerted, above all after the two sittings of the Committee on Braadcasting, Films and Assistance to the Arts which were devoted almost entirely to this problem. This means that today's debate is very useful, that it will allow the concern of a part of the public to pass through, as it was presented to the House of Commons by its representatives. In my opinion, in the present democratic system, this is a good thing. Those who are concerned about something have the right to express their views. They did here today and the parties interested will certainly benefit from it.

[*English*]

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, one almost hesitates to rise on a debate of this nature. One must at the outset offer some words of congratulations to the hon. member for Red Deer (Mr. Towers) for his courage in presenting this bill to the House, because one knows that if any question is raised about the standard of material shown on television, the person raising the question immediately comes in for the kind of attack that we have just heard from the hon. member opposite. Admittedly his attack was a far more gentle putdown than some of the recent ones directed at members who have chosen to question particularly the programming of the CBC.

We have just heard that this matter is a rural matter, as though there was some quality in rural life that developed a narrowness or myopia of vision, an inability to see things as they are. Having a rural background, I reject the suggestion that the rural life, by its very nature, mitigates against the intellectual examination of problems that face society at the present time.

Mr. Blais: There may have been something lost in the translation, Madam Speaker. I listened very carefully to the remarks of the hon. member for Saint-Jacques (Mr. Guilbault), and at no time did he make a distinction between rural and urban communities. He was speaking directly of regional things, and in view of the fact that the mover is from Red Deer, perhaps that is what was indicated. I am from a rural area and I do not feel that my area was being slighted.

Mr. Johnston: Madam Speaker, I was listening to the translation and not directly at this distance to the hon. members' remarks but certainly the word "rural" was used, as well as the suggestion that the whole thing was a regional matter. I have received a fair amount of mail in the last three weeks on this issue from points all the way from Truro, Nova Scotia, to Vancouver Island, and a fair portion of it came from the province of Ontario and from the urban metropolis of Toronto. I would suggest that almost all the voices from across that space, from the larger centres as well as the smaller, were saying the same thing to me. I do not accept the idea that the problem is appreciated only by a few people in one particular area of the country.

The problem is nationwide and undoubtedly worldwide. When we read publications from other lands we see that it is not isolated to Canada, in any way, shape or form. The putdowns come in a variety of ways. During a session of the committee I referred to a letter written by John Hirsch, head of t.v. drama, the Canadian Broadcasting Corporation in Toronto. He sent the letter out to the major newspapers of this country. In this regard there was some particular discussion of programming, and Mr. Hirsch said in his letter:

> It is a matter of determining the role of the CBC in the consideration and formation of public taste; that is, whether the corporation is to follow or to lead in such matters.
>
> Obviously it is not up to CBC to go wildly off into avant-garde styles and far-out situations and language, but rather to remain just a few steps ahead of the whole viewing public in such matters.

If one looks at the whole picture there seems to be a sort of downward slide rather than a process of elevating or raising the level of the standard of value. When there seems to be a downward slide one is suspicious of any writer that talks about being ahead of the general public in a direction in which one would not wish to see the country or its broadcasting moving. Certainly, if one watched the television production "You'll Be All Right, Jamie Boy" he will know that this was pretty far out both in circumstance and language, and deserving of a fair amount of criticism.

● (1730)

Mr. Hirsch then went on to describe recent years' programming and he described it as a diet of harmless, rather blah material from CBC drama of little significance, programs that were made to be turned off, and he said the vigour and challenge came from American programs. I am not questioning the accuracy of what he describes about CBC programming over recent years, but it seems to me that the answer to that problem is not to go from bad to worse but to make some effort to improve the situation. In talking about American programming Mr. Hirsch says that they have managed to handle such difficult subjects as abortion, homosexuality, gang-rape, wife swapping and other purported untouchables.

One thing that concerns me very much about all of this is the attempt to build an unshockable viewing audience. I would be very much concerned about a nation whose national network, or any network, handled some of the subjects in the list given to us by Mr. Hirsch and it produced no critical response to and through members of parliament. That would concern me, because I think that by that time we would be sunk in apathy a long way, and we would be at a point where we would not react any more to situations that should give us cause to react. I have been concerned about this for a long time.

When I am not in parliament, I teach school. A year ago, browsing along a bookshelf I picked up a book called "Go Ask Alice". I am surprised that it has not made the roster of CBC drama programs. It purports to be the diary of a 14 or 15 year old girl who is a drug addict. It is truly the bottom. The class I had at school used to write tiny book reviews for me and I always told them to write about anything they had read, it did not matter where they read it. I discovered over the course of a few weeks that several people in my class had read "Go Ask Alice" and spoke of it in most glowing terms.

When I asked one day in class how many people had read the book, about five girls put up their hands. I asked then how many of them thought it was a good book, and all five hands went up again. It concerned me that they should see that particular book as a good book. It was truly the bottom in terms of language, in terms of lack of a plot, and in terms of ripping off young people by purporting to be on the level of "The Diary of Anne Frank". The cover purported the books to be similar. So I asked my pupils why they thought it was a good book, and they said to me, "That is the way it is, that is where it's at."

Again I am concerned about the acceptance of an utter lack of standards, the absence of everything one might call traditional morality. I was very concerned about Mr.

Hirsch's defence of the Canadian Broadcasting Corporation in his letter when he said:

> Now the Canadian viewer suddenly finds himself confronted on our drama programs with an image that is his own. He sees that he is like others.

I would hope that the Canadian viewer was not confronting himself on some of the recent programming on CBC. I would hope we were not at that level yet. I would hope there were still some happy families in this country, some fathers who were respected by their children and beloved by their wives, that there were within the country some normal family relationships because, if there are not, then we are in a bad way indeed.

Finally Mr. Hirsch said:

> In other words, we have to give the viewers not only what they think they want, we have to give them the kind of high quality that the honest, creative artists we are trying to employ know they will want once they try it, and once they get to like it.

I was extremely concerned about the analogy to feeding a small child a variety of vegetables that he does not want to eat but that he should eat. Very often, children are exposed to those vegetables gradually to get used to the taste and eventually find themselves liking it. The argument there is usually that the offending food is nutritious and of value. But I would be very suspicious of the same effort going into conditioning the Canadian public to some of the recent programming that they have had on the CBC. I would be concerned indeed if a public shown "You'll be all right, Jamie Boy" would not be shocked by it, and would not resent in particular the point raised by the hon. member for Red Deer that they were paying for it at the same time.

I do not wish to limit my remarks to the CBC because there is a great deal we should consider seriously about the whole spectrum of television broadcasting in this land. I am one who believes in the abolition of the death penalty, and yet as I watch television occasionally—one does not have to watch it very closely, all you have to be is in the next room listening to the sound effects—I recognize the compendium of crime, violence, torture and rape that is placed before the Canadian public night after night, usually starting early in the day and placed before small children and often babies. Given that it is not much wonder if we seem to be retreating into violence and retreating from our standards and abandoning moral values. That is one thing of which we should be very careful.

There are other programs that would almost qualify for the label of obscene. Here again one moves into matters of opinion, but when you see a "Miss Teenage Canada Pageant," for example, one sees a sort of exploitation of those people. That was not a CBC but a CTV program. I think one wonders about the value and the contribution that will be made to this country by that sort of program.

I am also concerned that those people who question such programs become the recipients of the kind of criticism that was directed at the members of the broadcasting committee in this morning's issue of the *Globe and Mail* by columnist Geoffrey Stevens. What one says is characterized as a "knee-jerk reaction," and the entire committee is labelled as grossly incompetent and having spent its time on programming rather than on any diligent seeking out of the financing that goes behind the CBC. I do not see much point in digging too deeply into the CBC financing if the question in the minds of the public concerns the product that comes out at the end. That is one of the areas at which we can and should look.

● (1740)

I hope that voices in the House will continue to hold to their critical faculty and not be afraid to express it, because I still feel that across this land there is a great majority who want something better and expect something better from television.

One of the things which worries me about our Canadian Broadcasting Corporation is that I suspect the young writers of Canada, or the honest creative artists of this country, while they may be very honest and very creative, quickly learn what can be sold to the organization and begin to tailor their product accordingly. I think the same is somewhat true of films. One would hope that we could still find a market for a dramatic presentation of a family which triumphs rather than of a family which always fails.

The previous speaker mentioned the CRTC, and it seems to me that as the years have gone by, with the change of name and the change of function, that body has in a sense lost some of the authority and the concern it had when it was known as the Board of Governors of the CBC. In that older name there was the suggestion of some watching over, and some guiding along the lines which are hoped for in the bill presented this afternoon. I am afraid that that control and that concern are now rather lost.

I can appreciate the despair in the letters which come to me from people who feel they are voiceless. They know that something is wrong, and they sense this very deeply. Yet they cannot make any impact at all. They then turn to their member of parliament and hope that a voice will be raised somewhere. I trust that these voices will not be silenced by the kind of criticism which has been handed out to members of the broadcasting committee over these last few days because they have dared to raise questions of real concern to a great many people in this country.

I feel that there is room for the CRTC to be some kind of watchdog. I realize that there are avenues which could be followed at the present time by someone objecting to programming in terms of launching a suit, but I realize as well that for the average citizen, whether he lives in a great city or in a rural area, the problems of effectively launching a suit against the CBC, or against the CRTC, are very great indeed and are not likely to be undertaken.

I do trust that as a result of the debate we have been having in the last three weeks, and as a result of all the letters which have been written, we can have a good look at the kind of programming which is too prevalent and be prepared to do something, not just about what is usually called obscenity or bad language, but particularly about the violence, the bloodshed, the treatment of law enforcement officers—those factors which must play a role in the rising tide of crime facing this country.

Mr. C. Douglas (Bruce): Madam Speaker, I certainly appreciate the concern of the hon. member for Red Deer (Mr. Towers), and the concern of many hon. members in

this House and of people across the country about the programs which appear not only on our national network but on all networks, and in all facets of the communications industry. They are concerned, whether they are from rural areas or urban areas, about the use of obscenity, profanity and immoral activities by anyone, whether it be in broadcasting, newspapers, or books. No matter where it may be, I feel that close scrutiny of such questionable material must be carried out at all times by those responsible for the activities of all broadcasters, reporters, advertisers, and all those related to the dissemination of information and entertainment, not only on the public broadcasting service, which seems to be the prime thrust of the concern here this evening, but on the private sector of broadcasting as well.

I am concerned that much of the criticism has been directed, whether rightly or wrongly, against the Canadian Broadcasting Corporation and members of that broadcasting group. This bill states that everyone commits an offence who, being a broadcaster, or an officer of an employer of a broadcaster, allows to be broadcast an immoral, indecent or obscene performance, entertainment or representation. That takes in the complete segment of broadcasters, from those behind the microphones to the cameramen, script men, writers, producers and directors, no matter where they are in that broadcast segment. I think that perhaps in this respect we must consider where the broadcaster fits in, what he has done, and what regulations he is now concerned with regarding this matter.

Other hon. members will no doubt deal with the legal aspect of this bill, but in the next few minutes I would like to direct the attention of the House to the effect the bill will have on the broadcasters at the grass roots level of broadcasting. I believe that one of the first concerns would be a precise definition of what is obscene or immoral. As we have learned in the recent hearings of the broadcasting committee, of which I am a member—and I agree with much of what the previous speaker has said regarding reports of the broadcasting committee which have appeared in the newspapers recently—there is certainly a wide divergence of opinion even amongst the members, broadcasters and all the segments of our population as to what is immoral or indecent. What I may feel is immoral or indecent other members of this House may not feel is immoral or indecent, and I think that one of the first things we have to define is the common standard of immorality or indecency. It would be terribly difficult, if not impossible at this time, to arrive at that precise definition.

Last fall, for example, all of the networks presented scenes of the slaughter of calves performed publicly, scenes which immediately shocked a response from the general public and from this House as to the problems faced by the members of the agricultural community, and it was a response that was rightfully made at that time. Surely some segments or individuals in our society found those scenes to be distasteful. Some of them have told me that they found them to be very distasteful, but those are scenes which the farmer takes for granted because he sees them every day of the week in slaughter houses and in other situations. If this bill became law the private citizen could say that that was obscene and immoral, and bring a charge under the Criminal Code.

● (1750)

The bill before us now makes no comment with regard to the extreme violence that is seen not only in the public sector of broadcasting but in the private sector as well, and in many cases more so in the private sector. I believe the extreme violence depicted on television is of parallel importance to the matters raised by the hon. member for Red Deer with respect to immorality.

Another matter of great importance is the effect this bill would have on the level of broadcasting. The bill refers to "Every one . . . who, being a broadcaster—" That includes the disc jockey on morning radio, the cameraman, and even those members of the press gallery who are broadcasters. The provisions of this section of the Criminal Code would cover the situation where anything they said was considered obscene. Producers, directors, and even copywriters would be included.

This is a complex business which is regulated not only by the Canadian Radio and Television Corporation but by the Canadian Association of Broadcasters. This association has a code of ethics which member stations follow, and it exercises control every step along the way. As well as being subject to the scrutiny of their profession members are, of course, subject to the provisions of the Criminal Code and the regulations of the CRTC.

At the present time the CRTC has authority to refuse to grant or renew licences in the broadcasting industry. It can also levy fines against a station or an individual broadcaster guilty of obscene, indecent or profane language or pictorial representation. The CRTC takes into consideration at the time of licence renewal any complaints that have been received from the general public about obscene programming. To my knowledge only a few fines have been levied in this respect and I believe they were against the private sector. I do not know of any renewal of licence having been refused by the CRTC on these grounds. I should draw to the attention of the House the self-regulatory—Mr. Speaker, I note the arrival of Black Rod.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

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

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

● (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

National Housing Act

Bill C-54, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975.—Chapter No. 36.

Bill C-55, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1976.—Chapter No. 37.

Mr. Speaker: It being after six o'clock, I do not leave the chair until eight o'clock this evening.

At 6.08 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

NATIONAL HOUSING ACT

AMENDMENTS TO AMOUNT OF INSURED LOANS, TO INCREASE CAPITAL OF CORPORATIONS, ETC.

The House resumed consideration of Bill C-46, to amend the National Housing Act, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. John Gilbert (Broadview) moved motion No. 3:

That Bill C-46, An Act to amend the National Housing Act, be amended in Clause 6 by striking out lines 28 to 38 at page 3 and by substituting the following therefor:

"(2) Subsection 15.1(3) of the said Act is repealed.".

He said: Madam Speaker, the amendment I am moving at this time is very important. The two amendments I moved this afternoon were not very well received by the minister and the Liberal party and, I am sorry to say, the members of the Conservative party.

The substance of the first two amendments was directed at the private sector. We in the New Democratic Party are opposed to giving subsidies to builders and developers. Motion No. 3 is an opportunity for the members of the Liberal party, especially the Minister of State for Urban Affairs (Mr. Danson), to redeem themselves and to vote for a particular sector of the housing industry. I refer specifically to the non-profit sector.

The non-profit sector has had a rather short but impressive history with regard to housing in Canada. The reason is because it has embraced a large number of dedicated people who are prepared to work for little or no pay in order to solve the housing problem. They give some assistance to people with low and moderate incomes.

From time to time the government has been kind to the non-profit sector. I remind hon. members that under the present law the non-profit sector, which includes co-ops, was entitled to 100 per cent financing, a $10,000 start-up fund for its projects, and a 10 per cent capital grant. These appeared to be generous provisions, and they were. The

[Mr. Speaker.]

members of the non-profit sector appreciated that help from the government.

Originally they did not have that type of help. At the most they had 95 per cent financing. The government saw the need of the non-profit sector and its contribution to lowering housing prices. It gave those provisions and that help to that sector. As a result the government has experienced a great number of dedicated people trying to solve the problem, especially in the large urban areas. But those people experienced rising land costs which made it very difficult for them to operate. The government realized that, and the minister said he would try to make a change. He said he appreciated the high cost of land and the government would step in to allocate moneys so that land could be purchased by CMHC and leased to the non-profit sector.

In his announcement, the minister set forth the objective of CMHC to give further assistance to the non-profit sector by purchasing land and leasing it to that sector. However, when he made his statement he was very ambiguous as to what he was going to do. He, in effect, said that if the government applies moneys to purchase the land, it could not continue some of the other assistance.

I will remind hon. members of those provisions. There was the $10,000 start-up fund, 100 per cent financing, and the 10 per cent capital grant. He said, in a very ambiguous way, that if the government was going to give moneys to purchase lands, and the land is to be leased to them by CMHC, he was going to cut off their 10 per cent capital grant. This was the "either or" proposition that the minister put to the non-profit sector. This is the reason I am moving this amendment.

We had before us in committee a group of dedicated people representing different housing groups across the country, especially the city of Toronto. Their argument was all-persuasive. In fact I never heard so many compliments paid by members of the housing committee to the presentation that was given by the Toronto Non-Profit Housing Federation. I say again that these are young people who have dedicated their time, ability and energy to help solve the problem.

This group pointed out some of the great benefits of non-profit housing. They pointed out that the residents of non-profit and co-operative housing projects enjoy security of tenure, which is a vital ingredient in the healthy social environment that is necessary for both the individual and the community. In other words, there is security of tenure for the residents who occupy the rental units within a project.

They pointed out that the non-profit corporation manages the housing and allows for more control over the administration by the residents than does the private market rental. This means no huge government bureaucracy or tremendous overhead to manage housing, as in the case of public housing projects. They emphasised security of tenure and far more control over the administration. If Your Honour had been in the House this afternoon you would have heard some of the remarks by members of the NDP with regard to the administration of not only public housing projects but also limited dividend projects operated by the private sector.

Thirdly, they pointed out that the non-profit sector is aimed directly at providing accommodation for low and moderate income households. That is more than important, because of the attitude of the minister, and because the legislation favours the private sector and the middle income group rather than the low and moderate income groups.

● (2010)

They pointed out, fourthly, that non-profit housing is a non-inflationary form of housing, unlike other government housing programs. What they mean by that is that the acquisition of an existing unit for rental, or the building of a new project for the non-profit sector both have the object of not making a profit. If there is ever a philosophy that should be enunciated and implemented in regard to housing in Canada, it is the non-profit aspect.

If the profit aspect entered into education, for example, very few of us would ever have even a third or fourth grade education. If it entered into medicare, then we would not have the health care and assistance that we have today. These young people realize that if profit enters into housing and we want to implement the basic principle that people are entitled to decent housing at affordable cost, then we either have to make a profit out of housing itself, or operate on a minimum profit. This means that we do not increase the cost of land or buildings in this sector.

This is in direct contrast to the situation in the private sector, which treats housing as a commodity and tries to make as much money as it can in as short a time as possible. The result is the high land costs and high housing costs so prevalent across the country today. In the city of Toronto alone the average cost of a home is $54,000. With the high interest rates prevailing today it is very difficult for a person living in Toronto to buy a home.

The federation points out that if the minister did not continue the capital cost allowance provision and the subsidy, this would have a marked effect on the non-profit sector. To illustrate this it prepared a table which I should like to draw to the attention of the minister because I think it is of great importance. For a one bedroom apartment with a monthly rent of $216 in a non-profit project, a person would require an annual income of $10,400; with provincial assistance the income would have to be $9,200. This is a very high income for the average low income family to achieve.

In the case of a large family which requires a four bedroom apartment, the total monthly rent would be $416, and this would require an income of between $17,700 and $20,000. These two examples do not include the cost of the land. If you take $25,000 to be the average cost of land for a home in Toronto, you have to add at least $7,000 for the land cost.

Mr. Baker (Grenville-Carleton): Plus the lawyer's fees.

Mr. Gilbert: Yes, plus the lawyer's fee, as the hon. member for Grenville-Carleton (Mr. Baker) points out. If the non-profit sector is to direct its efforts toward assisting the low and moderate income groups, then it cannot serve this part of the market. This means that there has to be a shift from the lower and moderate income groups to the middle and upper income groups before these units can be occupied, and this is not the purpose of the non-profit sector.

As I have said, Madam Speaker, the purpose of the non-profit sector is to take care of the low and moderate income earners. The subsidies have been far outstripped by the land costs that have prevailed across the country, especially in the large cities. Therefore, we are asking the Minister of State for Urban Affairs and all members of the House to retain the 100 per cent financing provision, the $10,000 start-up fund, and the 10 per cent capital cost provision. The minister has made the 10 per cent capital cost provision an alternative and by so doing, when CMHC acquires the land and leases it to the non-profit sector, he makes it impossible for that sector to function. I know that is not the minister's intention.

I cannot believe that the minister, who is concerned about housing, would direct his efforts and the financing of CMHC toward achieving this purpose. Never have I heard a more persuasive argument than the one I heard from the young people representing the Toronto non-profit groups. They pointed out what was going to happen if the minister made the 10 per cent capital grant an alternative. Surely this is the time to help this kind of group. We should take into serious consideration the fact that the minister has said there are thousands of people in Canada who require help to find housing because of their financial position. I cannot believe for one moment that the minister would agree to bring in legislation prohibiting or restricting the non-profit sector.

Therefore I make a special plea to the minister, and also to the former minister of housing, now the Minister of National Revenue (Mr. Basford), who was responsible for sponsoring Bill C-133 in 1973, which gave a thrust to the non-profit sector by creating a capital grant of 10 per cent, a start-up fund of $10,000, and mortgage financing to the extent of 100 per cent. I ask the Minister of National Revenue to plead with and persuade the Minister of State for Urban Affairs not to do what he is doing in this clause of the bill. I was rather proud of the Minister of National Revenue when he was minister of housing—

Mr. Basford: You did not say that at the time.

Mr. Gilbert: The reason I did not give him too much credit was that it might have gone to his head. It might have given him a big head, which he is so capable of acquiring from time to time. I thought he had the right idea in regard to the non-profit sector, but this has been stripped down and restricted by the present minister of housing. I would ask the Minister of National Revenue to stand up in his place when my amendment is called and to vote for continuing the $10,000 start-up fund, 100 per cent financing, and the 10 per cent capital grant.

● (2020)

The minister wants the $10,000 start up fund and the 100 per cent financing, but if the land is acquired by CMHC he does not want to give the 10 per cent capital grant. I am rather ashamed of the minister that he should want to do this because he is a man of good feeling, a man who is genuinely concerned about housing, even though he has

not reached the right solutions. I hope the minister will change his mind and accept the amendment.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I was interested in the remarks of the hon. member for Broadview (Mr. Gilbert) with regard to third sector housing on which I place a high value. This is a new and important initiative taken by my predecessor, and one which I am following with enthusiasm.

As the hon. member said, these projects are eligible for 100 per cent financing of the capital cost, 10 per cent forgiveness to compensate for the cost of land, and up to $10,000 in start-up fees for groups who build, buy, or manage low-cost housing. In addition provincial assistance is often available. If this is still not sufficient to bring rents down to a level tenants can afford, there are the new provisions of section 44(1)(b) of the National Housing Act which have just been applied to non-profit and co-operative housing units—this is a rent supplement whose cost is shared by the provinces and the federal government.

As the hon. member has stated, in some cases even a 10 per cent grant is not sufficient to cover the cost of land, especially in high rent areas such as Toronto. In situations of that sort we give non-profit groups an option; the CMHC will then buy the land and lease it back under an arrangement which will enable tenants to go in at rents low-income people can afford. So we are not proposing to take something away. On the contrary, this constitutes a significant benefit. These rents can be set at levels which low income people can afford. I hope these measures will encourage more non-profit groups to go forward in areas where land costs are unusually high.

The hon. member for Broadview is aware of my interest in this subject, and of the interest taken by members of my family in his constituency who are dedicated to this whole area of third sector housing. It is something in which I believe very deeply, bearing in mind the economic benefit to those involved, the enhancement of the community spirit which is bound to be present, the social benefits to those who are managing their own housing and, not least, the fact that these projects will eventually serve as a real countervailing force in the marketplace.

This is a movement to be encouraged. I encourage labour groups wherever I speak to them, as I did yesterday, to emulate the example of the United Auto Workers in moving into this area. Veterans groups will now be able to do so on a much greater scale as a result of the announcement made today by the Minister of Veterans Affairs (Mr. MacDonald). Legion branches, which are possessed of valuable property and the services of men who have been dedicated to this organization throughout their lives, will be able to take advantage of these provisions.

I do not know of any other nation in the world which has gone so far in doing something for yet another generation of veterans—not young veterans, as we were when we came back from the war, charging off to raise families in the country—we are a little more tired now, and those days cannot be recaptured—but more mature men and women whose needs are still to be served.

The provision which the hon. member for Broadview would remove is, I suggest, one of the most beneficial

which could be included in favour of low income and non-profit groups whose work I should like to see encouraged.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am puzzled by the comments the minister has made. I would be surprised if he could convince members of this group that he is right. After all, as I said earlier this afternoon, we sit in opposition and we have a different philosophy. What puzzles me is not that the minister cannot convince us, but that he cannot convince the few people, the far too few people, who have involved themselves in co-operative and non-profit housing. If one accepted the rousing comments the minister made a few moments ago one would think that co-operative housing is flourishing in this country, that hundreds of thousands of people are living in co-operative housing, and that an appreciable proportion of our housing needs is being met by co-operative housing. Nothing could be further from the truth. One half of one per cent of the housing accommodation in this country is made up of co-operative housing projects.

One of the largest projects in the country happens to be in Winnipeg, and most of the units are in my constituency. Not a year goes by but I hear complaints from the dozen or more people who spend hundreds of hours a year working to try to promote more co-operatives. They complain about how difficult it is to get anything from the minister, about the bureaucratic way in which the CMHC is conducted, about the time it takes between the initiation of a project and its completion. They say that by the time approval is finally obtained from the minister the people for whom the plan was intended no longer qualify and they have to move up to a higher income bracket.

As I say, what interests me is that the minister has not been able to convince the people who are really interested in co-operative housing that this legislation will really help. Looking through my files I see a report in the *Globe and Mail* of last August, according to which Mayor Crombie of Toronto, the people involved in the Labour Council, and the representatives of the non-profit housing organizations, are completely dissatisfied with the minister and his program.

An hon. Member: You have picked some authority!

Mr. Orlikow: I am not so concerned about the Mayor of Toronto. I know he is a Tory. But I am concerned about the people in the Labour Council and in the non-profit housing organizations in Toronto. They are saying that the minister's program and the legislation we are considering simply do not meet their needs.

● (2030)

Let me just refresh the minister's memory in case he has forgotten. The news report says:

> The Labour Council of Metro Toronto's cooperative housing program has suffered the latest blow in a program that has endured several since the National Housing Act was amended in June, 1973, to permit 100 per cent mortgage financing for co-operative groups.
>
> A week ago, Central Mortgage and Housing Corp. officials told the Labour Council that it could not use provincial subsidies to calculate the economic viability of its plan to build and rehabilitate 98 units—

And, they added, without the subsidies the projected rents were too high to consider financing the proposal.

That is precisely what the hon. member for Broadview (Mr. Gilbert) has said. The article then states:

The labour council has supported non-profit housing by community groups, and taken part in the acquisition of housing to be operated by the City of Toronto Non-Profit Housing Corp.

City politicians and officials, as well as people involved in non-profit housing groups, are afraid that if the Labour Council can't get CMHC approval for a non-profit proposal, with all the resources it has at its disposal, then no one can.

The Labour Council has said, as quoted in this article:

"Our hope of attracting community institutions to engage in housing will be seriously upset— "

These organizations have talked to the chairman of CMHC and to the minister, and have indicated that they are caught in the squeeze between rising costs in housing and the regulations set by CMHC. Mr. Teron sent a reply to these people and said:

"We do include any provincial subsidies in assessing the viability of projects.

Similarly, they do include the 100 per cent funding of land in the calculation, and it is this provision that has made it virtually impossible for co-operative housing organizations to expand. The minister is concerned about getting groups into housing, and he knows there has been a very marked drop in the number of housing starts this year. Here we have groups of people who are prepared to do a great deal of work. They are prepared to participate in the planning of the projects, of the units, and in respect of the acquisition and the best use of the land. These people are doing this work without pay, and are not as concerned as private builders with making profits.

In this day of high costs one would think the minister would be interested in helping these groups promote their ideas so that more people will get into co-operative housing. Instead the minister has said, as other ministers so frequently said in the past, that he is not really prepared to help co-operative housing groups in order that they can grow and build houses, setting guidelines in respect of housing so that the private sector cannot simply charge as much or more than the traffic will bear. This is the purpose of the amendment moved by my colleague. It is our hope that the government and parliament will do whatever is possible to encourage co-operative housing groups to become a meaningful factor in the provision of houses for Canadians.

Unfortunately the minister has simply not met any of the arguments put forward by these people, and it is obvious that he has no intention of doing so. We will hear more fine sentiment. As the hon. member for Regina Lake Centre (Mr. Benjamin) suggests, the minister talks a good game, but when it comes to taking action or doing something for these groups of people who are prepared to do a job to meet some of the problems of housing, all we get from the minister is a flat no.

I must say I am disappointed with the minister. He made many excellent speeches in the early stages of his ministerial responsibility, and I really thought that for once, by choice or by accident, we had a minister who really cared about housing and about the needs of the ordinary and the poor people. To my regret I see that I was wrong, and that what we have is another minister who will agree that this is the right thing to do but will not bring in any legislation, or find the money, to do these things that are required.

The Acting Speaker (Mrs. Morin): The question is on motion No. 3. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): In accordance with section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

Mr. Gilbert moved motion No. 4:

That Bill C-46, an Act to amend the National Housing Act, be amended in Clause 8 by striking out line 22 at page 4 and substituting the following therefor:

"in Council and in no case shall such rentals exceed 4 per cent of the book value to the Corporation of the land".

He said: Madam Speaker, this amendment applies directly to the non-profit sector. I thought we would have had some co-operation from the minister, members of the government party and members of the Conservative party in respect of assisting the non-profit sector to build more homes, but we did not get that co-operation.

The minister in his remarks referred to veterans housing and suggested what a great advantage this would be to veterans in conjunction with the announcement by the Minister of Veterans Affairs (Mr. MacDonald). Let me just take a few minutes to outline the purpose of this amendment.

The minister has said that if a non-profit group goes into a project in respect of which the land is purchased by CMHC the group is not entitled to the 10 per cent capital grant. We have tried to point out that if that is the case the rents that will have to be charged will be too high to shift the accommodation to the low and middle income groups. In addition, these groups should be given some idea as to what the rent is to be in respect of the land.

When a business acquires a building it sets up a schedule of depreciation for tax purposes that applies over the life of the building. I understand that if a brick building is involved it is set up for 40 years at 2½ per cent. In these cases CMHC will be acquiring the land and there will be a 100 per cent factor to be set up in respect of the purchase of that land.

● (2040)

Part of the non profit sector is saying through me that, if it has to purchase land, it should have some idea with regard to what it will cost over the life of the project, and the amendment says that it should not exceed 4 per cent over the life of the project. I would like the minister to get up and say that this is such a worthwhile program that we should charge them one dollar a year rent. This is a formula which the city of Toronto and other large cities use when they give land to non-profit groups. They say that in order to keep the rents down the cost of the land must be kept down. Being city property the cities give it to them for one dollar a year. I think the minister should do the same, but if he does not go along with the one dollar a year formula, CMHC regulations should not exceed 4 per cent of the cost of the land.

When we were in committee the minister said that he wanted to be more flexible and that he did not want to commit himself with regard to this matter. This means that CMHC regulations will give a discretionary power to the officials in CMHC, and they will indicate that a project really has to pay for itself, but they will not put in the cost of the land. We are saying that the minister and CMHC should indicate that in such worthy projects the rent should be one dollar a year. If that is not possible or feasible, then it should not exceed 4 per cent. If the non-profit project stops its function, then by charging one dollar a year rent there could be a provision in the lease whereby the land, and the building on the land, will revert to the ownership of CMHC. I ask the minister to help the non-profit sector. I have the feeling he wants to, but he is not doing it.

I have received the message from the non-profit sector that they are not the least bit pleased with the alternative method the minister has proposed because they know it will be a burden on their costs when they are trying to keep down rents for people in low income categories. It defeats the very purpose of the non-profit sector when it shifts from the low income group and only is available to the middle and upper income group. It puts the lower income group at the mercy of the only remaining sector with housing for them, and that is the public housing sector.

I hope that the minister will see the strength of this argument and, not only the strength of the 4 per cent, but really the strength of the one dollar per year rent with the provision that the land would revert to CMHC and, if the land reverts, the building thereon also reverts.

Mr. Railton: Oh, no.

Mr. Gilbert: I hear the hon. member for Welland (Mr. Railton) displaying his usual friendly and combative style. I hope that he will get up and tell us where we are wrong. We are saying that the non-profit sector is being terribly restricted by the provisions of the minister, and what we want—

Mr. Railton: Mr. Speaker, I am very glad to interject. I am not too sure that the hon. member knows what he is talking about. He invited me to make an interjection, and I would say that the non-profit idea will be worth about 30 per cent to the people who rent, because the rents will be down about that much from the average rents of other—

[Mr. Gilbert.]

The Acting Speaker (Mrs. Morin): Order, please. This is a point for debate. If the hon. member wishes to participate, I will recognize him after the hon. member for Broadview (Mr. Gilbert).

Mr. Gilbert: I appreciate the comments of the hon. member for Welland, and I hope he will take the opportunity to speak after I finish. I would like to tell the House that the percentage of the total housing stock in Canada under the wing of the non-profit sector is one half of one per cent, and the minister himself wants to increase that. We all want to increase it, and the only way we can increase it is by giving that sector help. The minister has restricted help. He has given the subsidies to the private builders, to the lending institutions like the banks and finance and trust companies, but what he has done to the non-profit sector is restrict its operation.

At the end of the year we will find that this sector's one half of one per cent of the total stock will be reduced even further. It will probably be one quarter of one per cent. This will not give us any pride; it will not give the Minister of State for Urban Affairs any pride, or the hon. member for Wellington. I think all of us should direct our attention and our energies to increasing the stock of non-profit housing. We should encourage it.

The hon. member for Hamilton West (Mr. Alexander) has just turned around and looked at me, and I think he said, "John, you are right." I can just feel the vibrations from the hon. member for Hamilton West because he knows that in the city of Hamilton there are dedicated people in the non-profit sector who want to increase the number of units for low income people. I hope that at least he on the Conservative side will stand up and support it with all the strength he displays on other measures.

I hope that the minister will see the wisdom and the common sense of the amendment, agree with me, and undertake that the rents chargeable to the non-profit sector will either be one dollar a year with the reversion feature if the non-profit project ceases to operate or, at the very least, 4 per cent. If he did so, I am sure that the minister would be very proud.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I was invited to participate in this debate, and I am quite happy to do so.

An hon. Member: By whom?

Mr. Peters: I was very impressed with the comments made by the hon. member for Broadview (Mr. Gilbert). While I am not familiar with the quotations given a few moments ago from the *Globe and Mail* concerning the situation in Toronto and the problems there, I have learned over the years that land prices in Toronto are very high. One of the reasons housing has become almost impossible for even the middle income groups in this country is the high cost of land.

In my own area a number of organizations have been established over the years which built low rental units, and in most cases they have had to raise their rents, because of maintenance and other costs, to a point where

CMHC and the Ontario Housing Corporation have been invited back into them. I am thinking particularly of one which involves quite a number of veterans and which is one of the first projects of this nature the Legion undertook. I am certainly in agreement that one of the problems with this project is the cost of land.

● (2050)

In the type of housing the Legion was interested in providing there was absolutely no advantage in owning the land. If the federal government wanted to hold the land in title and provide it free of charge, it would have been acceptable. Let me tell you, Madam Speaker, the federal government owns a great deal of land. An inventory was taken a couple of years ago and it turned out it had land it did not even know about. In the province of Quebec the federal government started to sell land, and then when it looked at the situation closely it reconsidered and decided to hold that land. The federal government owns a considerable amount of land in every major city and it is costing money to maintain it. The government has no use for it at the moment and is holding it for future development.

One of the best things the government could do would be to provide federally owned land to organizations that want to provide accommodation for the people they are concerned with, at the lowest possible cost. The minister has said that this bill will assist the veterans, but I doubt that. I was shocked to hear the Minister for Veterans Affairs (Mr. Macdonald) delegate his responsibility to the Minister of State for Urban Affairs (Mr. Danson) today. In doing so he gave the veterans absolutely nothing and took from them a long established program which, in my opinion, could have provided some advantages for them in the area of housing.

It would be easy for the government to provide land to interested organizations that could, as the hon. member for Broadview suggested, either pay the municipal taxes, which may be 4 per cent, or pay the government a dollar for it and let the government pay the taxes. In those cases where agencies or organizations are willing to provide the time, effort and labour, I think we should co-operate to ensure housing at a cost people can afford.

I understand that in the city of Toronto one of the major elements in the cost of housing is the price of land. I discussed this with one of my sons who lives there and was shocked when he indicated that a building lot costs about $25,000. I looked in the *Globe and Mail* and the Toronto *Star* and saw that he was right. Not too long ago you could get a house for that price.

There is not much sense in promoting home ownership for people in a low income bracket if it is going to cost them 50 per cent of their wages. They would be better off to move into totally publicly supported housing and go on welfare. Of course many people are doing just that. It is not only the native population that we have neglected in this country. We have also neglected 25 percent of the rest of the population who are in the low wage bracket and are faced with the high cost of housing.

I can see no reason why the Minister of State for Urban Affairs would not be willing to take ownership of the land that rests with the Minister of Public Works in many municipalities, and designate it for low rental housing to be provided by other agencies.

The Legion in Haleybury started a project to provide its members with accommodation at a reasonable price. It worked hard on this but it is now in difficulty because of escalating costs and because we have not been providing the veterans with matching increases. The Legion is now asking the Ontario Housing Corporation to take the project over from Central Mortgage and Housing Corporation.

The minister has not shown any initiative in the field of public housing, but at least he could provide land at cost and so enable organizations to establish non-profit housing for people who are desperately in need.

Members who represent small communities are aware of the goodwill that exists in them and the desire of people to organize their time and efforts to develop non-profit housing for those who need it. I think the hon. member for Broadview is right when he says we could make land available to organizations on a lease basis for 4 per cent, or for a dollar, or even free of charge. Let us not give the kind of advantage that is in this bill to the big contractors, the friends of the minister, who are going to build houses. Because they get 1.8 per cent of the total cost they are going to raise the money to build houses? They have previously never built houses unless they got 15 per cent or 20 per cent.

A community spirit has to be developed in this country, Madam Speaker, and one way to do this is to allow organizations, willing to give their time, and sometimes money, to develop housing that is suitable for people and will provide a better standard of living for those who are not now able to afford decent housing. Anything else will not bring credit to the minister and, worse than that, will not build houses.

Mr. Danson: Madam Speaker, I was most interested to hear the hon. member for Timiskaming (Mr. Peters) and the hon. member for Broadview effectively support the provision which calls for the Central Mortgage and Housing Corporation to own land and retain title to it; that, of course, means for the people of Canada to own it and retain title to it.

The point that there are times when the consideration should be one dollar or 1 per cent is something I accept. The hon. member for Broadview asked me to stand up and say that. It is something I accept. There are other circumstances where it may not be applicable. It means the option for a non-profit group will be whichever suits them best. If it were limited to 4 per cent and the land was worth $1,000, naturally at $40 per year that is the option they would take. That would not be so bad, and it may be the right way to do it.

● (2100)

If the result is not economic rent, perhaps we are not going about this in the right way. If these people are getting the economic rent anyway, then they are depriving other non-profit groups, other sectors, other low income people of those funds. They might help in a particular development, but it might be unjust to let them take advantage of such programs if there are not sufficient

funds for others. The land may be charged at $1 per year, or the rate may be 1 per cent, although I suggest in most cases it will be under 4 per cent. In some situations the interest rate may be 4 per cent, 5 per cent or 6 per cent. I think we must reserve our rights, otherwise we should give an unfair advantage to one group at the expense of another.

The intention is to give the non-profit or co-operative groups the right to the option. That is what we are trying to do in all our programs. We want to give people options which were never available to them before. As I say, we are trying to provide young people and low income people with the sort of option they have not had so far.

If the 10 per cent forgiveness allowance is not enough to cover the cost of the land, we can go further, buy that land and lease it back to these people at a low rent, to make certain that rents are maintained at a low level.

Mr. Peters: Madam Speaker, will the minister permit a question?

Mr. Danson: Certainly.

Mr. Peters: Madam Speaker, although I approve of the minister's remarks I am worried in case we shall continually bring in amendments to our housing legislation. We have done this many times in the last three or four years. Has the minister, in his numerous discussions with municipal and provincial leaders across the country, received any indication that, with respect to land which still belongs to the Crown after buildings are erected on it, municipalities will accept the kinds of grants which the government gives in lieu of taxes and not charge taxes on that land? In other words, if the federal government is willing to make concessions, are these municipalities willing to reciprocate with concessions in their tax structure?

Mr. Danson: Mr. Speaker, I am intrigued by the hon. member's suggestion. I have not had such discussions, but cannot say CMHC officials have not had them. I will inquire. The hon. member for Timiskaming made an interesting suggestion which I intend to pursue because it opens a number of possibilities. The type of land he speaks of may be owned by other private groups, by churches or Legion groups. I wish to pursue this suggestion further. I thank the hon. member for raising this idea.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion, the nays have it.

And more than five members having risen:

[Mr. Danson.]

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

Mr. Gilbert moved motion No. 5:

That Bill C-46, an Act to amend the National Housing Act, be amended in Clause 13:

(*a*) by striking out lines 41 to 48 at page 6 and substituting the following therefor:

"qualified owner,"

(*b*) by striking out line 12 at page 7 and substituting the following therefor:

"(1)(*b*) where the loan was made at a".

He said: Mr. Speaker, this is the last motion I shall move. The hon. member for Winnipeg North suggests that if I can persuade the government to accept this amendment, I shall be as successful as if I had persuaded Paul to change his mind on the road to Damascus.

In 1973 the minister then responsible for housing, who now is the Minister of National Revenue, introduced Bill C-133 providing for the Assisted Home Ownership Program. He was proud of that program and thought great things would come of it. It was to come under the aegis of Central Mortgage and Housing. In 1974 the government acquired 4,000 existing homes under that program and built 16,000 additional homes. Its record was quite good. The program made available 20,000 homes to low and moderate income people at reduced rents.

We thought that was a fair start for the AHOP program. Then the present Minister of State for Urban Affairs came on the scene, and things changed. He said the AHOP program would apply only to new housing. The program was restricted, but the minister was proud of the funds which had been allocated for it. Now, by producing the present amending bill, he is abandoning the AHOP program. The government is not to be involved. It is saying to private builders that if a purchaser is approved by an approved lender for a mortgage under the AHOP program, the government will give that purchaser a subsidy with which to pay the higher interest rate he must pay on the mortgage.

When the government controlled the AHOP program the purchaser paid a rate of interest fixed by the government. Now that approved lenders have entered the picture, interest rates will increase, probably up to 10.5 per cent. In effect the minister says, "I will give the purchaser a subsidy; he may pass it on to the lending institution." In other words the minister says, "I will give a subsidy to the lending institutions; the government will pay it to the purchaser, or mortgagor, who will pass it on to the mortgagee."

We say that is wrong, that the government should control AHOP because the lower interest rate represents an advantage to the buyer. If the government were to assume greater responsibility, it could exercise greater control over the administration, over building standards and over maintenance.

Not content with giving a subsidy directly to financial institutions, the parliamentary secretary moved an amendment in committee which said that private insurance companies should handle the mortgage insurance on these homes. So, what do we have? The government wants

to subsidize the financial institutions, and the parliamentary secretary wants private insurance companies to handle the mortgage insurance on these homes. I suggest that when the government was more directly responsible for the AHOP program, CMHC controlled building standards and the matter of mortgage insurance. There are tremendous sums of money in the mortgage insurance fund—I think over $400 million at the moment. Claims against the fund are minimal. I therefore think that it is logical to ask CMHC to handle the mortgage insurance fund.

● (2110)

What does the minister do? What do the financial institutions do? They say they want a subsidy on any AHOP mortgage, as well as mortgage insurance. If that is not getting it two ways, I do not know what is. Unfortunately it fits in with the philosophy the minister has expressed on different occasions. The hon. member for Winnipeg North (Mr. Orlikow) says it is the trickle down theory, the trickle down to the financial institutions such as the banks, the trust companies, insurance companies and private insurers.

The minister put it in a rather coarse but meaningful way when he said it was more bang for the buck. It is more bang for the buck to the lending institutions, developers and builders. That is really what he is talking about.

If assisted ownership is to apply to low income people, they should have the benefit of any subsidies paid by the government in order to reduce their mortgage interest rates, and they should have the protection with regard to mortgage insurance.

When this program was devised in the first instance in 1973, we told the present Minister of National Revenue that it really applied to the middle income group and not the low income group. They said we were wrong. It is fair to show that it goes to the middle income group.

The best example of this is the city of Toronto. Michael Dennis, housing commissioner for the city of Toronto, wrote a report which was published in February of this year showing what the AHOP program has done for the city of Toronto. What has happened? Not one house was built in the city of Toronto under the AHOP program. In Metro Toronto, which includes the suburbs, only 191 were built. I brought this to the attention of the minister when we were in committee. He replied that there were 1,716 built in Metro Toronto. He said they have gone as far as West Hill. West Hill is half way to Oshawa. I have never heard of it being included in Metro Toronto. This was the feeble answer of the minister and his officials with regard to the AHOP program. The AHOP program should help people in the lower income group.

Mr. Darling: The rural areas too.

Mr. Gilbert: The hon. member for Parry Sound-Muskoka (Mr. Darling) says it should also help people in the rural areas. I agree 100 per cent. It should help people in rural areas, small towns and big cities. We said that. It has helped people in small towns.

The minister has said that in order to qualify for the program you must have a certain income, and the home must be within a certain price range. He pointed out in committee that under the AHOP program the average income of a purchaser is $9,336. May I add that this really only applied to those in the small towns, villages and rural areas. The hon. member for Parry Sound-Muskoka can tell me with a nod that that is a big income for a person in a small town to make in order to qualify under the AHOP program. The Minister of Energy, Mines and Resources (Mr. Macdonald) can tell me that the income a person needs to qualify in the city of Toronto must be very large.

Not one house was built under the AHOP program in the city of Toronto. Only 191 houses were built on the metro scene. It is about time the Minister of Energy, Mines and Resources stopped looking after the oil companies and started looking after people in the city of Toronto. I have never seen a minister who is so sympathetic to the oil companies and so unsympathetic to the people of his area with regard to public housing and the AHOP scheme.

Mr. Macdonald (Rosedale): I was there before you, John, and I will be there after you.

Mr. Gilbert: I would think the Minister of Energy, Mines and Resources would direct his attention to the housing problem in the city of Toronto and ensure that the AHOP program applies to it. I thought he would have made sure that the non-profit sector would have been taken care of by the Minister of State for Urban Affairs, especially in his area. The minister's area is very much like mine. There are many people on low and moderate income.

An hon. Member: In Rosedale?

Mr. Gilbert: His riding is in two halves, with the rich in the north and the poor in the south.

Mr. Macdonald (Rosedale): Living in public housing.

Mr. Gilbert: This is the reason we have brought this amendment to the attention of the House. The subsidies are going to be paid to the financial institutions, by way of giving them to the borrowers, who will pay them to the mortgagees. It does not apply to old housing. If the minister had any generosity about thim he would have applied it to old as well as new housing. His answer is that he has to increase the number of starts, and therefore he is going to direct the moneys only to new housing. The net effect is that he hurts those people who want to buy older houses.

I have never had so much help from my colleagues on any matter. The reason is that they believe in it. They believe we have to help the low income people in all these tricky schemes such as AHOP. So far they have only worked for those with a higher income. We are paying them a subsidy which they pass on to the lending institution. The Minister of Energy, Mines and Resources is proud of that. We in this party are not proud of it.

Some hon. Members: Hear, hear!

Mr. Gilbert: My colleagues are giving me full support. Furthermore, we are giving subsidies to the banks and we are giving the owners the opportunity to sell within a

short time and make a capital gain. There is something that is morally wrong about this. I thought the minister would have taken that into account and devised a program which would have said we will control the AHOP program under CMHC, it will apply to old and new housing, there will be a lower income interest rate, the mortgage insurance will stay within the body of CMHC, and we will do our best to increase the number of starts. However, that has not happened. He has again yielded to his philosophy with regard to the builders and financial institutions.

The minister has given way to the philosophy that housing is a commodity from which profits should be made, instead of yielding to the sensible philosophy that housing is something that should be enjoyed by all Canadians at an affordable cost. His government is directing him away from that and yielding just to the commodity aspect. I am not proud of the minister with regard to his approach.

Some hon. Members: Hear, hear!

● (2120)

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman has been kind enough to mention my surpassing interest in public housing. If he intends to take seriously his temporary assignment as housing critic for the NDP he should visit downtown Toronto and familiarize himself with the area, because if he were there he would find that my constituency contains the greatest concentration of public housing in Canada. Under this government, with the St. Lawrence development, we are providing low income housing for people in the downtown area. I would be glad to introduce the hon. member to the problems in the inner city so that he might understand them and take a more sympathetic approach to them than when he talks about putting AHOP out of the suburbs.

Some hon. Members: Hear, hear!

Mr. Orlikow: As a non-resident of Toronto I wonder whether I could ask the Minister of Energy, Mines and Resources a question. He has talked about the public housing in his constituency. I wonder if he is proud of the public housing we see around St. Jamestown.

Mr. Macdonald (Rosedale): I would have to say that in the downtown area the public housing available in St. Jamestown is at least better than the private housing that was there before—the boarding houses and the poor accommodation. I am glad it was a Liberal government brought about those programs which led to better housing there.

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, as another non-Toronto resident I should like to remind the Minister of Energy, Mines and Resources (Mr. Macdonald) that it was a former minister of national defence and minister for housing, who later sat on the other side of the House, who stopped that scheme.

An hon. Member: He doesn't sit anywhere now.

Mr. Gilbert: He sits in the Press gallery.

[Mr. Gilbert.]

Mr. Benjamin: The amendment also has to do with mortgage insurance. I should like to ask the minister, who has told us how much he is in favour of limited divident housing, to explain how he can reconcile the private handling of mortgage insurance in the face of what he agrees is a fundamental human right—a decent place to live. Suppose a person falls behind in his mortgage payments, or dies. Does the minister feel it is proper that a private mortgage insurance company should make a profit from the misfortunes of others? Does he think this should be part and parcel of public housing? Why can he not go to the credit union association, for example, where insurance on loans and savings can be obtained at cost? Such organizations as these recognize the fundamental human right to housing. Why does the minister not provide for them in his legislation—

Mr. Danson: You have not read our amendment.

Mr. Benjamin: The amendment of the hon. member for Broadview (Mr. Gilbert) has met that point. In any case the minister hands over the mortgage insurance business to private enterprise. If he wished, he could insure mortgages through CMHC.

Mr. Danson: We do.

Mr. Benjamin: After paying lip service to non-profit making organizations the minister brings in legislation which prevents them from becoming effective; he stacks the deck in favour of his private enterprise friends. If the hon. gentleman has concluded that private enterprise is unable to do the job, as his words have indicated, why must he place roadblocks in the way of these non-profit organizations? Will he make a fundamental change in his housing policy by accepting some of our amendments?

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, as the minister has stated, this bill has received careful scrutiny both in the House and in the committee. It has given members on this side of the House an opportunity to stress to the government the great concern we have about the magnitude of the housing crisis which exists in this country.

At second reading the official opposition stated that while we supported the amendments in Bill C-46 in principle we did not feel they were adequate or relevant to the severity of the emergency in the housing field. That emergency is readily documented. Housing starts in recent years have shown a continuous downward trend. Here are the figures: 269,000 in 1973; 222,000 in 1974, and 210,000 predicted by the minister for 1975. And this is at a time when the Economic Council of Canada, in its 11th annual review, has recommended 250,000 housing starts per year in the 1972-76 period. On the basis of the first two months of 1975, CMHC is now forecasting 175,000 starts for the year as a whole but it is doubtful such a figure will be reached. At the same time CMHC predicts that Canadians will form nearly 230,000 new households in 1975. In all likelihood we shall see a shortfall this year of 70,000 as between household formations and housing starts.

In the face of the severity of this shortfall and the consequent social problems the minister consoles himself with a recital of housing completions for last year. That is

sorry solace for the thousands of Canadians who will be forced into inadequate housing and cramped quarters before the end of this year, many of them at prices they can ill afford to pay. It is interesting that the minister should talk only about housing completions last year and made no projections of what may be anticipated in this regard in 1975. I can tell him that the completions, like the starts, will see a drastic decline.

● (2130)

The present amendments to the National Housing Act, when considered in the light of the current housing crisis, are impotent to deal with the situation. They are palliatives of a kind maybe, but solutions, never. Recognized as palliatives they can be accepted along with their shortcomings. However, the tragedy is that the minister, in his enthusiastic embrace of these measures, has sought to persuade the House and the public that they offer a cure to the present ills of the housing industry. This is not only misleading but dangerous in that it could induce a false complacency about the present emergency that would deter the government from taking firm action to tackle the root causes of this crisis.

We know that some 220,000 fewer people are employed in the construction field than at the same time last year. We know housing starts and completions are down drastically. We know that the measures the minister has put before us will not suddenly reverse these trends. The minister knows this as well and should be bringing forward other programs, other means of stimulus for an industry that contributes 15 per cent of our gross national product. Nowhere is such a program in sight.

Nowhere is there any government proposal to reallocate some of its massive $28 billion spending program to housing. Nowhere is there any indication that housing will assume a higher priority in the concerns of the government. Nowhere, indeed, is there any sign that the government recognizes the seriousness of the situation—certainly not if the bill we have before us is all that we have to rely on now.

During the committee hearings we had the opportunity to hear representations from the Toronto Non-Profit Housing Association, as was mentioned earlier. We heard about their concerns as to the lack of real government initiatives and commitments toward housing built by co-operative societies and non-profit companies. As well, the lack of emphasis given to rural and native housing was stressed over and over again. The slow pace at which rural and native housing programs are beginning indicates that the government is forgetful or ignorant—

Mr. Benjamin: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but the hon. member for Regina-Lake Centre is rising on a point of order.

Mr. Benjamin: I did not mean to interrupt the hon. member for Kingston and the Islands (Miss MacDonald) but since the point has been raised today on at least two other occasions by members in certain parts of the House I would ask her why she is not speaking to the amendment. I would rather hear her speech on third reading. She has not said one word yet about amendment No. 5. She is making a third reading speech, and that is the time I should like to hear her give it.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, if the hon. member would care to listen he would hear what I have to say. As someone has just said, I left off at the word "ignorant". As I was saying, the slow pace at which rural and native housing programs are beginning indicates that the government is forgetful or ignorant of housing needs in the smaller centres and rural areas of this vast country, and indeed this whole bill discriminates in so many ways against those people in the rural areas who need housing. But, most important—and what the bill does not deal with—is the major shift in housing policy that is being imposed by the CMHC capital spending budget. The capital spending budget determines government policy. It allocates the amount of money that will go to cost shared programs with the provinces.

Mr. Benjamin: Mr. Speaker, again I rise on a point of order. I would ask you to rule whether or not the hon. member for Kingston and the Islands is speaking to amendment No. 5.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, I am speaking to all the amendments, including amendment No. 5.

Mr. Benjamin: Mr. Speaker, on the point of order, I would ask for reinforcement from the hon. member for Grenville-Carleton (Mr. Baker) who this afternoon—

Mr. Deputy Speaker: Order, please. If the hon. member wishes the Chair to make a ruling, he should at least give the Chair a chance to listen to the point he is trying to make, which I did not get the chance to hear. I did not even get the chance to give him the floor. I invite the hon. member to express his point of view.

Mr. Benjamin: Mr. Speaker, I am repeating only what the hon. member for Grenville-Carleton and the parliamentary secretary to the minister of housing said this afternoon in regard to speaking to amendments that we are dealing with on report stage. I am asking Your Honour to rule whether or not the hon. member is speaking to the amendment. I submit that she is not.

Mr. Baker (Grenville-Carleton): Mr. Speaker, my interjection this afternoon was with respect to an irrelevancy that would be obvious even to the blind. I have listened very carefully to the hon. member for Kingston and the Islands (Miss MacDonald) and I think her speech is a sound one. If by chance Your Honour finds her out of order, which in view of what she is saying I would very much doubt, Your Honour can rule at that time. But certainly the interjection of the hon. member is premature.

Mr. De Bané: Mr. Speaker, I think every member of the House is committed to seeing this bill pass this evening. Conversations with representatives of every party have been held and it has been agreed that we should all make an effort to refrain from speaking on third reading. Since the representative of the official opposition has refrained from saying one word during report stage, she will be

making, on the occasion of the last amendment, some remarks in lieu of speaking on third reading. I understand that is the unanimous agreement of all of us since we are committed to passing the bill tonight, as the Senate is waiting.

Mr. Deputy Speaker: Order, please. I think the point raised by the hon. member is well taken as far as the procedure is concerned, but I think he ought to leave it to the Chair to decide. I feel the hon. member for Kingston and the Islands is making a quite useful contribution to the debate. Of course everything that has been said might not be exactly relevant to the amendment, but I am sure it will be to the benefit of all members of the House as well as to the legislation we are studying at this time.

Miss MacDonald (Kingston and the Islands): Thank you very much, Mr. Speaker. As I was saying, most important—and what this bill does not deal with—is the major shift in federal housing policy that is being imposed by the CMHC capital spending budget. The capital spending budget determines government policy. It allocates the amount of moneys that will go to cost-shared programs with the provinces and those that will go directly to unilateral federal programs.

● (2140)

There is a massive shift away from the socially assisted programs the federal government has developed with the provinces and municipalities over recent years to programs such as AHOP, which is the one being dealt with in this clause, programs which are controlled and operated out of Ottawa primarily for those in the moderate income range. Directly traceable to the capital spending budget of CMHC is the two-pronged shift in government housing policy—first, a cut-back in cost shared programs with the provinces and municipalities in favour of the theory that Ottawa should have control, and second, a move away from the long established role of government to assist with public housing to a new and questionable role of supplying mortgage moneys at privileged rates to those in the moderate income bracket.

One is almost inclined to suspect that these major policy shifts are designed primarily to satisfy the building urge of the president of CMHC. Certainly they are arrived at in isolation from the needs of those most closely related to the housing scene—governments at the municipal and provincial levels.

This shift in housing policy, as I pointed out to the minister the other day, is directly accountable for a shortfall this year of some 4,000 senior citizens units in the province of Ontario alone, and a similar situation is developing in most of the other provinces. My colleagues from Saskatchewan and British Columbia have already mentioned this situation.

Earlier today the Postmaster General (Mr. Mackasey) decided to set the matter straight by pointing to the great involvement of the government in the field of public housing and the shortcoming on the part of the government of Ontario to match it. Obviously he had not been looking at recent figures, or even consulting with his colleague, the Minister of State for Urban Affairs (Mr. Danson). For the record, Mr. Speaker, the Postmaster General may be interested to know that in 1973 the federal government's allocation to Ontario for socially assisted housing was $130 million, in 1974 it was $78 million, and in 1975 it has been set at a mere $50.4 million whereas Ontario has a take-up capacity of some $400 million, which has been encouraged over the past number of years by programs on which the federal government has now defaulted.

The capital spending budget of CMHC has gone up just 12.4 per cent this year while at the same time Ontario, recognizing the housing emergency, has increased its spending on social housing programs by 50 per cent. I mention these figures so that the Postmaster General and others can be better informed on what is taking place in Ontario.

This situation is very serious, Mr. Speaker. The decrease in funds to Ontario and to other provinces for socially assisted housing as directed by the federal government illustrates the point clearly. The federal government has shifted its priorities in residential construction through manipulation of the CMHC capital spending budget, a budget which heretofore there has been no opportunity to review.

Members of the New Democratic Party have been trying to utilize the present bill to come to grips with the shift in government policy. I do not believe this bill is the vehicle to achieve that goal, Mr. Speaker. The most direct way to ensure this is to let us have the capital spending budget of CMHC for examination in detail. In committee on March 20 the minister assured me this would be done. Tonight I would like further assurance from the minister as to when we will have a reference of the CMHC capital budget from the House to committee. I should like him to tell us when this will come about, because only then can we have a proper examination of the reasons for and objectives of the shifts in government housing policy.

Finally, Mr. Speaker, it is essential that there be much longer forward planning on the part of the federal government to meet the housing needs of the country. Certainly if the government is to honour its commitment to the cost sharing programs it is imperative that that be done. At present the provinces and municipalities are limited in their planning by the way in which they are presented with a year to year allocation of federal funding into which they have had no input, and about which they have not been consulted.

The government must spell out its priorities clearly for longer periods and put an end to the stop-start approach it has had to these programs. There should be some immediate steps to establish a formula for a period of at least three years so that the provinces, municipalities and other groups can undertake and initiate programs with the confidence that they will be able to continue them once they are started, with help from the federal government.

There is no overall, coherent approach to the housing needs of the country. There is no long term planning and no co-ordination with transportation policy, immigration policy, and land use policy. Rather, the minister is content to rely on faith and prayers for a sum he says will be in the vicinity of $1 billion this year from private mortgage lenders, and as well on a multiplicity of restrictive programs such as the one he introduced today for veterans.

I would urge the minister not to resort to further bills of this nature, which are really offered as palliatives, but to face up to the tough job of persuading his colleagues to give housing the priority it should have in the emergency situation that does exist in this country.

Mr. Sharp: Mr. Speaker, it is our hope that tomorrow evening the House may adjourn for the Easter recess, and it is my understanding that if this bill is approved this evening by the House it will be considered in the other place and might receive royal assent before parliament adjourns for the Easter break. Under those circumstances I would move, seconded by the Secretary of State for External Affairs (Mr. MacEachen):

That the provisions of paragraph (3) of Standing Order 6 be suspended in relation to the daily adjournment to permit the completion of the consideration of Bill C-46.

Mr. Deputy Speaker: Hon. members have heard the motion proposed by the minister. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Peters: No, Mr. Speaker.

Mr. Reid: On a point of order, Mr. Speaker, it is my understanding of the Standing Order that if fewer than ten members rise then the motion is automatically deemed to have been accepted.

Mr. Deputy Speaker: Perhaps I should read Standing Order 6(5)(b) as follows:

When Mr. Speaker puts the question on such motion, he shall ask those members who object to rise in their places. If ten or more members then rise, the motion shall be deemed to have been withdrawn, otherwise, the motion shall have been adopted.

All those opposed to the motion will please rise.

Mr. Peters: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please. Ten members not having risen, I declare the motion carried.

Mr. Peters: Mr. Speaker, I rise on a point of order. I presume that this is not the closure motion, and that all that is being referred to is this stage of the bill. I think it was unnecessary for the House leader to raise the matter, but I would bring to your attention another standing order which requires unanimous consent for third reading, and of course that cannot be covered by this motion.

● (2150)

Mr. Deputy Speaker: Perhaps I should read the beginning of Standing Order 6 (5) which says:

When Mr. Speaker is in the Chair, a member may propose a motion, without notice, to continue a sitting through a lunch or dinner hour or beyond the ordinary hour of daily adjournment for the purpose of considering a specified item of business or a stage or stages thereof subject to the following conditions:

And it goes on.

My interpretation of this is that the minister expressed the wish that the legislation be passed tonight through all stages. Unless otherwise interpreted by other hon. members, my interpretation, as I said, is that this piece of legislation—as decided by the majority of hon. members because no ten member group stood up to oppose—would have to be completed tonight before the adjournment.

Mr. Peters: Mr. Speaker, I certainly have no objection to the passing of the motion which the hon. government House leader moved. There is another section, however, which says that when there is a report stage debate, third reading will not be taken, except by unanimous consent, on the same day. That is all I am referring to here.

Mr. Deputy Speaker: I have tried to be clear. The motion was moved by the President of the Privy Council (Mr. Sharp), and reads as follows:

That the provisions of paragraph (3) of Standing Order 6 be suspended in relation to the daily adjournment to permit the completion of the consideration of Bill C-46.

As far as I can interpret the wish of the House, "the completion" of Bill C-46 does not only apply to the report stage, but it would apply to some agreement as to the third reading of the bill so that it can be adopted by the Senate.

Mr. Stanfield: Mr. Speaker, on the point of order, I personally, and hon. members from my party, are quite ready to have all stages of this bill considered tonight, but I am concerned about the procedure, and I just want to be certain that we are doing what is appropriate. It is my understanding that we could not move from the report stage to the third reading of a bill in the same day without leave, and it seems strange to me, with respect, that we should continue to do this before ten o'clock. For example, supposing we finished at nine o'clock, I doubt if we could have gone on to third reading this evening without unanimous consent, and it could hardly have been intended that the motion to extend this sitting could give us permission to do something we could not have done before the sitting was extended. I repeat that I would like to see the bill considered through all stages tonight, but as Leader of the Opposition I do not want to see a precedent established which might be unfortunate.

I therefore ask for serious consideration of the point raised by my hon. friend in the New Democratic Party. I do not agree with his objection to third reading being taken, but I suppose he has not taken that position yet. With respect I question the capacity of the House to consider third reading tonight on the basis of the motion put by the government House leader without unanimous consent.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I just confirm the point referred to by the Leader of the Opposition (Mr. Stanfield) which was suggested earlier by the hon. member for Timiskaming (Mr. Peters). Standing Order 75 (13) seems to me quite clear. It says:

When a bill has been amended or debate has taken place thereon at the report stage, the same shall be set down for a third reading and passage at the next sitting of the House.

The motion we have just passed was under Standing Order 6 which says that it must relate to proceedings which are then in progress, and I think that the Leader of the Opposition is quite right in pointing out that it would be going too far to say that that motion gives us the authority sometime after ten o'clock to proceed to third

reading without unanimous consent. The hon. member for Timiskaming has not said he would not give that consent.

Half an hour ago things were rolling along and we thought we would finish by ten o'clock. I think the Leader of the Opposition was quite right. No matter what our views are on how far we should go tonight, we should not establish a precedent which some of us think would be a misuse or abuse of the rule. As I say, Standing Order 75 (13) is very clear, and my suggestion is that we proceed under the motion which has been passed to finish the report stage of this bill and take the votes on the report stage amendments. Then if the government wishes to ask for unanimous consent for third reading, it can do so, and we will see what happens.

Mr. Deputy Speaker: Order, I do not wish to quarrel with the hon. member. He has referred to Standing Order 75 (13), but I doubt that this standing order would preclude the possibility of the House making a majority decision under Standing Order 6(5) or otherwise.

Standing Order 75(13) provides for a buffer which, in the normal procedure, prevents the House from going from one stage of the legislative process to another stage, as has generally been accepted within this House, but if the hon. member would take the trouble of looking into Standing Order 6(5), he would agree with me, I hope, that if Standing Order 6(5) had been made to meet the argument he just made, Standing Order 6(5) would only refer to "a stage thereof" instead of saying "a stage or stages thereof."

So it is still my impression that Standing Order 6(5) would be met for some hon. members by putting a motion to the House which expresses the majority of hon. members. But the hon. member for Winnipeg North Centre (Mr. Knowles) did raise the question of procedure, and I wanted to make this point as a protection for the Chair for later decisions. I will leave it open for hon. members, and I think it would be simpler for hon. members to come to some agreement without committing the Chair to a further interpretation of Standing Order 6(5) as opposed to Standing Order 75(13).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with your indulgence I would like to point out that Standing Order 72 requires readings on separate days, and that in the standing order we operated under last Thursday night when we put the estimates through, we came up against this problem, but in that standing order , which is Standing Order 58(10), there is a specific reference to the fact that the provisions of Standing Order 72 do not apply, and I submit that because that phrase does not appear in Standing Order 6(5), it does not set aside any provision such as Standing Order 75(13). I submit that it would really be quite an erroneous decision for this House to make, that under Standing Order 6(5) it is possible to override Standing Order 75(13) when there is nowhere in the rules any suggestion that that can be done.

Mr. Deputy Speaker: The hon. member knows that the House often depends on his experience and good advice, and I would not want to engage in a procedural debate. I did express an opinion as to the relationship between one Standing Order and another. At the same time, however, the House seemed to be ready to come to some kind of agreement and I would invite members to find an immediate solution to the situation which faces us. If hon. members have a solution I would invite them to express it to the Chair.

[Mr. Knowles (Winnipeg North Centre).]

• (2200)

Mr. Stanfield: Mr. Speaker, I still hold the view on the point of procedure, with respect, that the power to proceed to an additional stage cannot be any greater on extended sittings than it was before ten o'clock. I would suggest that we proceed to pass the motion and, if we get through report stage and the government wants to proceed to third reading and somebody objects, then the Chair would have to make a ruling at that stage.

Mr. Sharp: I understand the difficulty that faces Your Honour. I have read the subparagraph to mean that we can deal with more than one stage because this section seems fairly clear on that point. On the other hand, it is a very difficult point and I do not think we want to settle it tonight. As far as I am concerned, if we can dispose of report stage I would hope that we would have the co-operation of all members to agree to go to third reading tonight as well, even though this motion I have made might not technically cover that.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 5 (Mr. Gilbert). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11) the recorded division on the proposed motion stands deferred with all four other motions.

The House will now proceed to take the deferred recorded divisions. Call in the members.

And the Members having been called in.

The House divided on motion No. 1 (Mr. Gilbert) which was negatived on the following division:

● (2210)

(*Division No. 22*)

YEAS

Messrs.

Benjamin
Broadbent
Gilbert
Hogan
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Orlikow
Peters
Saltsman— 10.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Balfour
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Darling
De Bané
Demers
Dick
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Faulkner
Flynn
Forrestall
Fox
Francis
Fraser
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guilbault
Haidasz
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Herbert
Hnatyshyn
Holmes
Huntington
Hurlburt
Jamieson
Johnston
Jones
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert (Edmonton West)
Lang
Laniel
Lapointe
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
Maine
Malone
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
Mazankowski
McCain
McCleave
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Munro (Esquimalt-Saanich)
Neil
Nicholson (Miss)
Nielsen
Oberle
O'Connell
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier (Hochelaga)
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Ritchie
Roberts
Robinson
Rondeau
Roy (Timmins)
Roy (Laval)
Rynard
Scott
Sharp
Skoreyko
Smith (Churchill)
Smith (Saint-Jean)
Stanfield
Stevens
Stewart (Marquette)
Tessier
Towers
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk
Young— 170.

Division

● (2230)

Mr. Speaker: I declare the motion lost.

Before proceeding to the next question, may I point out that since it is past the hour of 10.30 the adjournment debate which was originally to have taken place between 10 and 10.30 will be dispensed with.

Mr. Woolliams: Aw, shucks!

Mr. Speaker: The next question is on motion No. 2.

The House divided on motion No. 2 (Mr. Gilbert) which was negatived on the following division:

(*Division No. 23*)

YEAS

Messrs.

Benjamin
Broadbent
Gilbert
Hogan
Knowles (Winnipeg North Centre)
Leggatt
Nystrom
Orlikow
Peters
Saltsman— 10.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Balfour
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Darling
De Bané
Demers
Dick
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Faulkner
Flynn
Forrestall
Fox
Francis
Fraser
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guilbault
Haidasz
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Herbert
Hnatyshyn
Holmes
Huntington
Hurlburt
Jamieson
Johnston
Jones
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert (Edmonton West)
Lang
Laniel
Lapointe
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
Maine
Malone
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
Mazankowski
McCain
McCleave
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Munro (Esquimalt-Saanich)

Division

Messrs.

Neil
Nicholson (Miss)
Nielsen
Oberle
O'Connell
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
(Hochelaga)
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Ritchie
Roberts
Robinson
Rondeau
Roy
(Timmins)
Roy
(Laval)
Rynard
Scott
Sharp
Skoreyko
Smith
(Churchill)
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Marquette)
Tessier
Towers
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk
Young— 170.

● (2240)

Mr. Speaker: I declare the motion lost.

The House divided on motion No. 3 (Mr. Gilbert) which was negatived on the following division:

(*Division No. 24*)

YEAS

Messrs.

Benjamin
Broadbent
Gilbert
Hogan
Jones
Knowles
(Winnipeg
North Centre)
Leggatt
Nystrom
Orlikow
Peters
Saltsman—11

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Balfour
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Caron
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Darling
De Bané
Demers
Dick
Dionne
(Kamouraska)
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Faulkner
Flynn
Forrestall
Fox
Francis
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guilbault
Haidasz
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hees
Herbert
Hnatyshyn
Holmes
Huntington
Hurlburt
Jamieson
Johnston
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert
(Edmonton West)
Lang
Laniel
Lapointe
LeBlanc
(Westmorland-Kent)

[Mr. Speaker.]

Messrs.

Lee
Lefebvre
Loiselle
(Chambly)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
Maine
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
Mazankowski
McCain
McCleave
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Munro
(Esquimalt-Saanich)
Neil
Nicholson (Miss)
Nielsen
Oberle
O'Connell
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
(Hochelaga)
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Ritchie
Roberts
Robinson
Rondeau
Roy
(Timmins)
Roy
(Laval)
Rynard
Scott
Sharp
Skoreyko
Smith
(Churchill)
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Marquette)
Tessier
Towers
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk
Young—169

● (2250)

Mr. Speaker: I declare the motion lost.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. May I say that we are prepared to have motion No. 4 resolved on division, but we would like a recorded vote as previously ordered on motion No. 5.

Mr. Speaker: The question therefore is on motion No. 4 in the name of Mr. Gilbert. Shall I declare the said motion defeated on division?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): On division.

(Motion No. 4 (Mr. Gilbert) negatived on division.)

Mr. Speaker: The question therefore is on motion No. 5.

The House divided on motion No. 5 (Mr. Gilbert) which was negatived on the following division.

(*Division No. 25*)

YEAS

Messrs.

Benjamin
Broadbent
Gilbert
Hogan
Knowles
(Winnipeg
North Centre)
Leggatt
Nystrom
Orlikow
Peters
Saltsman— 10.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Balfour

Messrs.

Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Caron
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Darling
De Bané
Demers
Dick
Dionne
(Kamouraska)
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Faulkner
Flynn
Forrestall
Fox
Francis
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guilbault
Haidasz
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hees
Herbert
Hnatyshyn
Holmes
Huntington
Hurlburt
Jamieson
Johnston
Jones
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert
(Edmonton West)
Lang
Laniel
Lapointe
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Loiselle
(Chambly)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
Maine
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
Mazankowski
McCain
McCleave
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Munro
(Esquimalt-Saanich)
Neil
Nicholson (Miss)
Nielsen
Oberle
O'Connell
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
(Hochelaga)
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Ritchie
Roberts
Robinson
Rondeau
Roy
(Timmins)
Roy
(Laval)
Rynard
Scott
Sharp
Skoreyko
Smith
(Churchill)
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Marquette)
Tessier
Towers
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk
Young— 170

Mr. Speaker: I declare the motion lost.

Hon. Barney Danson (Minister of State for Urban Affairs) moved that Bill C-46, to amend the National Housing Act, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs be concurred in.

Motion agreed to.

● (2300)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are prepared for the motion for third reading to be called tonight, despite the hour, on the understanding that it is done by leave.

Some hon. Members: Agreed.

Mr. Benjamin: On another point of order, Mr. Speaker, I would like to ask the hon. member for Kingston and the Islands (Miss MacDonald) to make her third reading speech now.

Some hon. Members: Oh, oh!

Mr. Stanfield: That is a point of disorder.

Mr. Speaker: Order, please. For greater clarification of the rule, upon unanimous consent of the House, Mr. Danson, seconded by Mr. Lalonde, moves that the bill be read the third time and do pass. Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): On division.

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

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, I thought I might give the House the order of business for tomorrow. The first item will be Bill C-13, followed by Bill C-8, Bill C-34, and Bill C-19.

Mr. Speaker: It being eleven o'clock this House stands adjourned until two o'clock tomorrow afternoon.

At 11.04 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 26, 1975

The House met at 2 p.m.

THE ROYAL ASSENT

[*Translation*]

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House
Ottawa, March 26, 1975

Sir,

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 26th March, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to
the Governor General

* * *

[*English*]

HOUSE OF COMMONS

TRIBUTES TO RIGHT HON. MEMBER FOR PRINCE ALBERT ON THIRTY-FIFTH ANNIVERSARY AS A MEMBER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, today is the thirty-fifth anniversary of the election to this House of the right hon. member for Prince Albert (Mr. Diefenbaker). I am sure the right hon. gentleman must be very disappointed not to be able to be in this House today. Certainly we are disappointed he is not here so that we could salute him in person on this occasion.

The right hon. gentleman is unable to be here because of some minor repairs he has undergone, but we certainly look forward to his early return to the House in top form.

His accomplishments in the 35 years of his service in parliament are, of course, legion. His human principles and his talents have always earned him the respect of both allies and adversaries in this House of Commons.

On behalf of my colleagues and myself I wish to congratulate the right hon. gentleman on his anniversary, and extend our best wishes to him and to Mrs. Diefenbaker.

Some hon. Members: Hear, hear!

● (1410)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, one of the joys of celebrating this anniversary annually is that we can sit back and listen to the right hon. gentleman respond and tell us of his love for Canada, which is very deep; his belief in parliament, which is very important, and his respect for the monarchy, which is very true. Today we will not have that pleasure, so I will not challenge him to make any speech on these subjects. I reserve that right for his golden anniversary, when we shall both be sitting in this House.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my parliamentary leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), suggested that I might say a few words on behalf of our party. This request has been made of me because I had the honour of coming into the first parliament to which the right hon. member for Prince Albert (Mr. Diefenbaker) was elected. I might add that my colleague to my left, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), was already here to greet the right hon. member for Prince Albert when he first arrived.

It is indeed an accomplishment for one to have served in parliament for 35 years. We salute the right hon. member not only for his length of service to this House but also for his accomplishments. Although he is not here with us in physical presence, he is always very much with us one way or another. We are as disappointed as he is at his not being here for this important occasion. We wish him an early recovery to full health. I believe the House would also want to express to Mrs. Diefenbaker the hope that her health will soon be fully restored.

On behalf of all my colleagues I extend warmest greetings on this occasion to John and Olive Diefenbaker.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, on behalf of my party, I would like to join the spokesmen for the other parties to congratulate the right hon. member for Prince Albert (Mr. Diefenbaker).

When we were elected in this House in 1962, he was the Prime Minister. I remember quite well that he was always a keen champion of parliamentarians' rights. I have always admired him for that and I think that he was one of the best defenders of the rights of the Social Credit Party of Canada and the right of its members to sit in the House.

I wish him a speedy recovery and hope that he will soon return to resume his career, because he is still young. I

think that we have much to learn from him and that young parliamentarians should take him as a model.

ROUTINE PROCEEDINGS

[*Translation*]

OFFICIAL LANGUAGES

TABLING OF THE FOURTH REPORT OF THE COMMISSIONER FOR THE PERIOD APRIL 1, 1973 TO DECEMBER 31, 1974

Mr. Speaker: Order. I have the honour to table in the House the fourth report of the Commissioner of Official Languages for the period between April 1, 1973 and December 31, 1974.

* * *

[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform this House that a message has been received from the Senate informing this House that the Senate have passed Bill C-46, an act to amend the National Housing Act, without any amendment.

* * *

CONFLICT OF INTEREST

REQUEST FOR DETAILS CONCERNING CONSTRUCTION OF SWIMMING POOL AT PRIME MINISTER'S RESIDENCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek permission of the House to move a motion of urgent and pressing necessity, particularly as after this day the House will not meet for a while and the information requested in the motion should have been provided, I suggest, long ago. I would therefore move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That in view of the failure of the Prime Minister to make public details concerning the $200,000 swimming pool being constructed on public property at 24 Sussex Drive—

Some hon. Members: Oh, oh!

Mr. Cossitt: If the trained seals can contain themselves, Mr. Speaker, I will read my motion. I know this bothers them, but in order to put my motion there must be some semblance of order.

That in view of the failure of the Prime Minister to make public details concerning the $200,000 swimming pool being constructed on public property at 24 Sussex Drive and particularly the names of the 25 donors being permitted to deduct the full amount of donations for income tax purposes, the House requests the Prime Minister to make public all details on this matter immediately and at the same time the House expresses agreement with the front page article on government secrecy in today's *Globe and Mail* which states in part that the refusal to reveal the names of the 25 persons paying for the swimming pool is "blatantly political".

[Mr. Gauthier (Roberval).]

Mr. Speaker: The subject matter dealt with in the proposed motion is, of course, of importance, and may be blatantly political. Nevertheless, I cannot accept it as a matter of urgent and pressing necessity within the terms of the Standing Order.

Some hon. Members: Hear, hear!

* * *

TRANSPORT

SUGGESTED REVIEW FOR SAFETY STANDARDS FOR HERRING SEINERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I can assure you that my motion is non-political. I rise on a matter of urgent and pressing necessity, pursuant to Standing Order 43. Whereas there has now been a loss of 11 herring seining boats and a tragic waste of 13 lives on the west coast of B.C. in the last ten days in the herring fishery, and whereas there is some evidence that Department of Transport standards with regard to safety as well bulkhead standards are inadequate to protect the lives of the herring fishermen, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the Minister of Transport and his officials immediately travel to the west coast of British Columbia for a meeting with fishermen as well as an on-site inspection of herring seiners, and that the minister immediately review the Department of Transport standards so that further tragedies can be prevented.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

SOCIAL SECURITY

PROPOSED DISTRIBUTION OF PENSION CHEQUES THROUGH BANKS AND CAISSSES POPULAIRES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

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

Considering that family allowance, old age security pension and veteran pension recipients are being victimized by the delay in delivery of their cheques whenever postal employees go on strike, which is greatly detrimental to these recipients, and considering also the large number of cheques which are stolen, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House request without debate the Minister of Finance to consider the possibilities and advantages of making use of banks and caisses populaires by depositing the amount in question in a special

credit account in the recipient's name, on condition that the recipient be free to choose his or her own bank or caisse populaire.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

LABOUR RELATIONS

PROPOSED COMMITTEE STUDY OF ESTABLISHMENT OF PERMANENT LABOUR RELATIONS COURT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise pursuant to Standing Order 43 to ask unanimous consent of the House to discuss a matter of vital importance to the economy of this country, namely a possible imminent general strike of postal employees.

I move, seconded by the hon. member for Champlain (Mr. Matte):

That a committee of this House be requested to consider immediately the opportunity of appointing a permanent labour court with enforceable power in order to eliminate civil service strikes that may eventually bring the Canadian economy to a standstill.

Mr. Speaker: Order, please. The motion being proposed pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

● (1420)

CONSUMER AFFAIRS

TABLING OF REPORT "EFFECT ON PRICES OF TAXES ON CLOTHING AND FOOTWEAR"

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, pursuant to paragraph 41(2) of Standing Orders, I wish to table, in both official languages, copies of a report entitled: "Price Effects—Removal of Federal Sales Tax on Clothing and Footwear".

[*English*]

AGRICULTURE

TABLING OF BREAKDOWN OF COST OF PRODUCTION OF FERTILIZER

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, pursuant to paragraph 21(2) of Standing Orders I wish to table in both official languages the breakdown of cost of fertilizer production referred to in my recent address to the Canadian Fertilizer Institute.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before we leave Motions, I rise on a point of order which certainly affects the operation of one of our standing committees. As the government House leader knows, several of us have asked on a number of occasions that there be a reference of the Hermann Report to the Standing Committee on Veterans Affairs. We have been assured that this will be forthcoming. The committee is now planning to deal with this matter the day after we return from the recess. I wonder whether the House leader could arrange for the motion of reference to be made available later this day so that we might have the report in our hands when we return in April.

Mr. Sharp: I have no objection. I will try to comply with the hon. member's wish.

* * *

CANADA LABOUR CODE

AMENDMENT TO PROVIDE FOR APPOINTMENT OF INDUSTRIAL INQUIRY COMMISSION TO SETTLE STRIKES AFFECTING PUBLIC INTEREST

Mr. Otto Jelinek (High Park-Humber Valley) moved for leave to introduce Bill No. C-386, to amend the Canada Labour Code.

He said: The purpose of the bill, in view of the continuing unrest in the labour scene, is to amend the industrial relations part of the Canada Labour Code to provide that where a strike or lockout is against the national or public interest the government may appoint an industrial inquiry commission to make a final and binding settlement, subject to government variation and adoption.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 182, 183, 186, 531, 532, 533, 989, 1,112, 1,187, 1,223, 1,343, 1,598, 1,603, 1,723, 1,726, 1,728, 1,744, 1,756, 1,767, 1,783, 1,802, and 1,812.

Order Paper Questions

If questions Nos. 42, 61, 610, 621, 622, and 635, 1,208 and 1,721 could be made orders for return these returns will be tabled immediately.

I ask that questions Nos. 151, 552 and 897 be made orders for return, and I also ask the consent of the House to table immediately the information which has already been submitted, some of which is in one of the official languages only. The balance of the information will follow along with the translations as soon as they are submitted to me.

Would you be so kind as to call starred questions Nos. 1,674 and 1,790?

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

[*Text*]

BOOK PROFIT BEFORE TAXES AND TAXABLE INCOME OF CORPORATIONS

Question No. 182—**Mr. Orlikow:**

What was the comparison between book profit before taxes and taxable income by selected industries for each year since 1968 by millions of dollars as shown in Calura Reports for the following industries (a) metal mining (b) mineral fuels (c) other mining (d) manufacturing (e) construction (f) wholesale trade (g) retail trade?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Information on book profit before taxes and taxable income of corporations in Canada for year 1968 to 1971, (the latest year available), as provided in "Corporation Taxation Statistics", is as follows:

	Book Profit [1] Before Income Taxes (Net)				Taxable Income [1]			
	1968	1969	1970	1971	1968	1969	1970	1971
	$'000,000							
(a) Metal mining	560	653	883	521	93	133	218	91
(b) Mineral fuels	343	315	257	327	75	52	62	78
(c) Other mining	125	105	87	110	65	66	63	53
(d) Manufacturing	3,227	3,686	2,878	3,688	2,564	2,809	2,378	2,804
(e) Construction	299	300	239	372	304	296	265	347
(f) Wholesale trade	624	669	622	843	604	632	646	799
(g) Retail trade	489	494	512	561	469	500	511	553

[1] Excludes cooperatives, crown corporations and tax exempt corporations.

BOOK PROFITS AND TAXABLE INCOME

Question No. 183—**Mr. Orlikow:**

What was the comparison in percentages between the book profits and taxable income by size of corporation in each year since 1968 for corporations doing (a) less than $1 million business (b) between $1 to $5 million business (c) over $25 million business?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Information on book profit and taxable income of corporation by sales size is not available, however data by asset size of corporation are available for years 1968 to 1971, the latest year available, on the attached table:

Asset size		Book profit before Income Taxes (net)[1]	Taxable Income	Taxable income as a percentage of Book profit
		$'000,000		per cent
Under $1,000,000	1968	1,406	1,223	87
	1969	1,705	1,555	91
	1970	1,304	1,546	119
	1971	1,494	1,701	114
$1,000,000—4,999,999				
	1968	1,101	859	78
	1969	984	986	100
	1970	1,003	947	94
	1971	1,372	1,132	83
$5,000,000 and over				
	1968	6,543	3,807	58
	1969	7,262	4,103	56
	1970	6,478	3,877	60
	1971	7,739	4,327	56

[1] Excludes insurance carriers, cooperatives, crown corporations and tax exempt corporations.

CORPORATION PROFIT BEFORE TAXES

Question No. 186—**Mr. Orlikow:**

What was the book profit before taxes, the taxable income of dollars and the percentage of taxable incomes to book profit for all corporations since 1968 as reported to the Department of National Revenue or to Statistics Canada?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of National Revenue is concerned: In 1965 under an amendment to the Corporations and Labour Union Returns Act, the Dominion Bureau of Statistics assumed responsibility for extraction, aggregation and publication of statistics concerning corporations. At the same time, the Department of National Revenue, Taxation, terminated the publication of "Taxation Statistics" for corporations and correspondingly, terminated the extraction of the necessary data.

In so far as Statistics Canada is concerned: Information on book profit before taxes and taxable income of corporations in Canada (excluding insurance carriers, co-operatives, Crown corporations and tax exempt corporations) for year 1968 to 1971, the latest year available, as contained in "Corporation Taxation Statistics", is as follows:

	1968	1969	1970	1971
Book profit before income taxes (net) $'000,000	9,050	9,951	8,785	10,605
Taxable income $'000,000	5,889	6,644	6,370	7,160
Taxable income as per cent of book profit per cent	65	67	73	68
	per cent	per cent	per cent	per cent

PRIME MINISTER'S OFFICE—DUTIES OF MR. IVAN HEAD

Question No. 531—**Mr. Cossitt:**

1. (a) What is a complete and detailed description of the work performed by Mr. Ivan Head in the Prime Minister's Office (b) what are all the assignments, duties and connections of any kind whatsoever that he has with foreign affairs?

2. Has the Prime Minister at any time referred to Mr. Ivan Head as Canada's Henry Kissinger or has he ever made a somewhat similar remark and, if so (a) on what date (b) at what place (c) for what reason (d) exactly what were the words used by the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): 1. See the answer to Question No. 242 answered December 18, 1974, *Hansard* No. 56, page 2354. See also the answers to Questions No. 409 answered February 7, 1973, *Hansard* No. 25, page 1039; No. 2,287 (by the Hon. Member for Leeds) answered July 4, 1973, *Hansard* No. 115, page 5283 and No. 3,260 answered December 12, 1973, *Hansard* No. 190, page 8664.

2. On several occasions prior to September 22, 1973 the Prime Minister has referred to Mr. Head as "Henry". These and other light-hearted Prime Ministerial references to Mr. Head have not so far been made the subject of an official government record indexed according to date, place or reason.

PRIME MINISTER'S OFFICE—MR. HEAD CONFERENCES WITH SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Question No. 532—**Mr. Cossitt:**

1. How many times and on what dates, if any, has Mr. Ivan Head conferred with the Secretary of State for External Affairs since the present Minister took office?

2. What is the working relationship, if any, between Mr. Head and the Secretary of State for External Affairs?

3. In advance of his press interviews and briefings of September 25, 1974 and October 15, 1974 did Mr. Head (a) advise (b) consult (c) receive approval from the Secretary of State for External Affairs in regard to statements subsequently made on those occasions?

Right Hon. P. E. Trudeau (Prime Minister): 1. Mr. Head is answerable to the Prime Minister in the discharge of his duties. He does, however, confer frequently with the Secretary of State for External Affairs and has done so since 1968. No cumulative record is kept of these occasions.

2 and 3. See answer to Part 1.

PRIME MINISTER'S OFFICE—MR. IVAN HEAD

Question No. 533—**Mr. Cossitt:**

1. On whose instructions did Mr. Ivan Head brief newsmen on October 15, 1974 in regard to the Prime Minister's current European trip and did the Prime Minister approve in advance all statements or announcements made by Mr. Head on that occasion?

2. For what reason was there some sort of requirement that Mr. Head should not be quoted directly on anything he said and (a) what is the identity of all persons responsible for such a requirement (b) what did the Prime Minister have to do with deciding upon or arranging in any way such a requirement?

3. Is one of the functions of Mr. Head to, in any way whatsoever, attempt management of the news or manipulation of the news media on behalf of the Prime Minister?

4. Is one of the functions of Mr. Head to, in any way whatsoever, promote the public image of the Prime Minister?

5. Has Mr. Head had anything whatsoever to do with preparation of any speeches, public utterances or statements made by the Prime Minister since May 1, 1974 and, if so, on what date and what are the specific items involved?

6. What is Mr. Head's exact annual salary in dollars and what is the total of all expenses of any kind paid for by the taxpayers that he has incurred since the date he joined the Prime Minister's staff?

Right Hon. P. E. Trudeau (Prime Minister): 1. One of Mr. Head's functions is to respond to inquiries of journalists in respect of those aspects of Canada's foreign relations in which the Prime Minister is involved. For convenience, such inquiries are often dealt with in a briefing context prior to and during official travel undertaken by the Prime Minister. The press briefing held on October 15, 1974 at which Mr. Head replied to questions from newsmen was one such occasion.

2. Responsibility to the parliament and people of Canada for the formulation of Canadian foreign policy lies with the Government, and that policy is implemented principally by the Secretary of State for External Affairs. The government does not consider it appropriate, having regard to the parliamentary system as it operates in Canada, for non-elected officials to bear, or appear to bear, such responsibility. For that reason, explanations by officials of government policies and activities in this and in other areas are normally made on a non-attributable basis.

3. No.

4. No.

5. Yes. There is no record of the dates and items involved.

6. See answer to Question No. 242 answered December 18, 1974, *Hansard* No. 56, page 2354.

EXPORT SALES TO CUBA

Question No. 989—**Mr. Kempling:**

1. How many export sales were made to Cuba during each fiscal period 1971-72, 1972-73, 1973-74 and 1974-75 to date?

2. What were the dollar amounts of these export sales?

3. Were these sales financed through the Export Development Corporation?

4. Were any such sales to Cuba financed through any other government agency and, if so (a) through which ones (b) how many sales did each agency handle (c) what were their dollar values?

5. What were the terms of sale of each transaction for the fiscal periods, including length of financing terms and rate of interest charged?

6. Are any of these export sales in default at the present time and, if so, which ones and what is the nature of the default?

7. Have any of the contracts between EDC and Cuba been written off since 1968 and, if so, which ones and what is the dollar amount of each?

Hon. Mitchell Sharp (President of the Privy Council): In so far as Statistics Canada is concerned: 1 and 2.

Year	Number of Items	Value ($'000)
1971	209	58,822
1972	195	58,730
1973	238	81,871
1974	246	144,652

In so far as Export Development Corporation is concerned: 3. It has signed agreements to finance two sales to Cuba: (a) on April 25, 1974, up to Canadian $17.91 million, representing 90 p. cent of the sale price on a sale of 30 locomotives, spare parts and tools, by MLW Worthington Limited, Montreal, and of railroad track construction and maintenance equipment, spare parts and services by Canron Limited, Montreal, and (b) on December 13, 1974, up to Canadian, $24 million, representing 80 p. cent of the sale price of a sale of three 10,000 DWT tankers by Marine Industries Limited, Montreal.

4. Not applicable.

5. In the case of the sale described (i) in subparagraph (a) of the answer to Part 3, the terms were 10 p. cent cash and the balance of 90 per cent in 20 semi-annual instalments; and (ii) in subparagraph (b) of the answer to Part 3, the terms were 20 per cent cash and the balance of 80 per cent in 16 semi-annual instalments. With regard to the rate of interest charged in each case, it is not in the public interest to publish information on EDC lending rates. The rates vary according to such factors as the need to match international competition and the credit risks involved. To publish an average rate would be to disclose to certain borrowers that the EDC rate to them is above the average and this would militate against the possibility of repeat business for Canadian exporters.

6. No.

7. No.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—TRANSLATION OF DOCUMENTS

Question No. 1,112—**Mr. McKenzie:**

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

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

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

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

[Mr. Kempling.]

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

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

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Industry, Trade and Commerce and Secretary of State are concerned: 1. All publications, forms, folders, brochures, trade reviews, booklets, manuals, books, circulars and documents of a general application or of an administrative nature which are intended for employees within the Department at large, other government departments and agencies, or for the Canadian public have to be made available in both official languages.

2. Past records of the Department are not being translated.

3. Not applicable.

4. It is difficult to provide a precise answer to the question in terms of the Department of Industry, Trade and Commerce, since, in order to achieve greater efficiency, the Government of Canada has consolidated all translation, interpretation and terminology services under a single administration, designed to serve all the departments and public bodies which depend on them. Cost are not apportioned according to the types of activities mentioned above. However, the total demand for translation as represented by the number of words is available for the years 1972-1973 and 1973-1974. The production in words for 1972-1973 was 3,120,006; for 1973-1974 it was 3,312,796. On the basis of an analysis of operating costs for the Translation Bureau, the total operating costs are estimated at about ten cents per word for the two years in question.

5. Information no available.

6. Approximately $33,300.

DEMURRAGE CHARGES

Question No. 1,187—**Mr. Korchinski:**

From the beginning of the crop year to date (a) what was the amount of demurrage charges on grain levied (b) which ports were involved?

Hon. Otto E. Lang (Minister of Justice): Demurrage paid by the Canadian Wheat Board from beginning of 1974/75 crop year to December 17: (a) Wheat (not including durum), $1,967,718; Durum, $9,214; Barley, $1,495,628; total, $3,472,560. (b) West Coast Ports: Wheat (not including durum), $1,859,305; Durum, $9,214; Barley, $1,495,628; total, $3,364,148. East Coast Ports: Wheat (not including durum), $108,412; Durum, $ nil; Barley, $ nil; total $108,412.

RELEASE OF INMATES

Question No. 1,223—**Mr. Schumacher:**

1. By institution, how many prisoners were released in each month commencing January 1974 to date?

2. In each case, what was (a) the length of sentence given at the time of incarceration (b) the nature of the crime for which sentence was imposed (c) the actual length of sentence served?

3. How many of those released since January 1, 1974 (a) were receiving psychiatric assistance during incarceration (b) continued to

receive psychiatric help after release (c) were considered to be of sound mental condition upon release?

4. (a) How many of those released since January 1, 1974 have become repeat offenders and, of these, how many are (i) serving sentences in maximum, medium and minimum security institutions (ii) are on parole (b) in each case, what was the nature of the repeat offence and length of sentence imposed?

5. By institution, how many prisoners were incarcerated for crimes of (a) murder (b) armed violence (c) unarmed violence (d) rape?

Hon. Warren Allmand (Solicitor General): 1, 2, 3, 4 and 5. While the information required to answer the question will be available, unfortunately, the Ministry's Correctional Services are still in the process of catching up and changing from a system of historical statistics, always a year or two out-of-date, to a current data system with information no more than a month after events. Our current estimate is that the required information on 1974 will be available some time in May 1975. The alternative to awaiting completion on the inmates records system is the manual search, by special task force, of some 15,000 parole and penitentiary case files, a large number of which are held at the various regional headquarters locations across Canada, and the Ministry of the Solicitor General does not have available the staff nor the funds to undertake such a project. It is regretted that the information cannot be provided at this time.

DISCUSSIONS RELATING TO SOULANGES CANAL

Question No. 1,343—**Mr. Herbert:**

Does the government have any interest in or have there been any recent discussions with the Government of Quebec concerning the Soulanges Canal?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): There have been no recent discussions with the Government of Quebec on the Soulanges Canal and Parks Canada has no plans for its development.

CHILEAN REFUGEES

Question No. 1,598—**Mr. Epp:**

1. How many Chilean refugees entered Canada since 1972?

2. What is the nationality of the people who were accepted under the "Chilean Refugee" provisions?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Between September 11, 1973 and February 28, 1975, 1,188 persons were landed in Canada as a result of the special movement from Chile. An additional 348 persons have entered Canada as a result of events in Chile and are in the process of being landed.

2. The citizenship of the 1,188 persons landed is shown below. Citizenship of those in the process of being landed has not yet been tabulated. Citizenship: Argentina, 3; Australia, 1; Austria, 3; Bolivia, 4; Brazil, 16; Chile, 1,125; Colombia, 1; Czechoslovakia, 2; Ecuador, 1; France, 1 Haiti, 1; Hungary, 2; India, 1; Italy, 1; Kenya, 1; Mexico, 1; Nicaragua, 1; Peru, 1; Paraguay, 1; Poland, 1; Tanzania, 1; U.K., 3; U.S.A., 1; Uruguay, 8; Vietnam, 1; Yugoslavia, 5; Zaire, 1; Total, 1,188.

AGREEMENT BETWEEN UNITED STATES AND CANADA ON TRANSPORTATION RESEARCH

Question No. 1,603—**Mr. Beatty:**

With reference to the memorandum of understanding between Canada and the United States signed June 18, 1970, does the agreement give the Americans access to all new developments with respect to transportation policy in the private sector and, if not, what categories of information are exempted from such agreement?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The Memorandum of Understanding between the Department of Transportation of the United States and the Ministry of Transport of Canada dated June 18, 1970, and concerning research and development cooperation in transportation is an inter-agency agreement and as such does not apply to the private sector. The Memorandum was signed in order to promote cooperation between the two agencies in the field of technical transportation research and development. As a result of this agreement, the Canadian Government has been able to obtain very useful information on government transportation research that has been and is taking place in the U.S.A.

*TRAVELLING REGULATIONS FOR PUBLIC SERVICE MEMBERS

Question No. 1,674—**Mr. Lambert (Edmonton West):**

1. What are the Treasury Board regulations, if any, requiring members of the Public Service, the Canadian Defence Forces or the Royal Canadian Mounted Police to use a Canadian flag carrier when travelling abroad from or returning to Canada?

2. When may exemptions from such regulations be granted and by whom?

3. (a) Is it possible to ascertain or to approximate the number of exemptions so granted in the calendar year 1974 (b) what was the principal reason given to support the exemption?

4. What were the three leading foreign airlines for whom exemptions were granted during the period?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Treasury Board Secretariat and the Department of Supply and Services as follows: 1. The government's policy is stated in the Treasury Board travel directive and reads as follows: "... Except where considered impractical by the employer, travel on official business shall be by Canadian carrier". The Canadian Armed Forces and the Royal Canadian Mounted Police, to whom the travel directive does not apply, have similar policies.

2. Exemptions may be granted by departments. There are no formal criteria established. Exemptions are commonly made when: (a) the foreign centre to be visited is not served by a Canadian carrier; (b) the Canadian carriers are fully booked, and advancing or delaying an individual's departure is not acceptable; (c) the timetable of the Canadian carrier would lead to an uneconomic use of an employee's time.

3. (a) No. (b) Not applicable.

4. Not known.

Order Paper Questions

WHITESHELL NUCLEAR RESEARCH ESTABLISHMENT

Question No. 1,723—**Mr. Francis:**

Was the Whiteshell Nuclear Research Establishment in Manitoba declared a protected place in June, 1974 and, if so, for what reason?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: The Whiteshell Nuclear Research Establishment in Manitoba was declared a protected place by Order of the Atomic Energy Control Board dated December 18, 1962. A new designating order was made in June, 1974 to comply with Section 14 of the Atomic Energy Control Regulations which came into effect on June 4, 1974. The purpose of a protected place is as stated in subsection 14(1) of the Atomic Energy Control Regulations.

ISSUANCE OF INSURANCE POLICIES TO NUCLEAR POWER STATIONS

Question No. 1,726—**Mr. Francis:**

Have Canadian insurance companies refused to offer the $75 million insurance policy to licenced nuclear power stations in Canada to cover them for indemnity against nuclear accidents and, if so, will the government cover any claims in the event of such an accident?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: The Nuclear Insurance Association of Canada is prepared to provide $75 million of insurance to operators of nuclear power stations in Canada. Until the Nuclear Liability Act is proclaimed in force, operators are not obligated to carry this insurance. At present, nuclear power stations not owned by Atomic Energy of Canada Limited are indemnified by Atomic Energy of Canada Limited against liability to third parties arising from a nuclear incident.

PERMISSIBLE LEVELS OF RADIATION EXPOSURE

Question No. 1,728—**Mr. Francis:**

Did the Director of the Radiation Protection Branch say that the safe level of radiation is a matter of opinion only and not a matter of scientific research and, if so, will the Minister of Energy, Mines and Resources tell the Canadian people how permissible levels of radiation exposure were arrived at by the Atomic Energy Control Board?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: It is generally accepted by international experts that scientific research has been unable to establish a level of radiation below which the risk to health can be said to be zero. Quoting from the Recommendations of the International Commission on Radiological Protection, "Any exposure to radiation is assumed to entail a risk of deleterious effects. However, unless man wishes to dispense with activities involving exposures to ionizing radiations he must recognize that there is a degree of risk and must limit the radiation dose to a level at which the assumed risk is deemed to be acceptable to the individual and to society in view of the benefits derived from such activities". These recommendations have been accepted by the Atomic Energy Control Board in setting permissible levels of radiation exposure.

[Mr. Reid.]

WHARFAGE ACCOUNTS

Question No. 1,744—**Mr. Forrestall:**

With reference to the answer to Question No. 455, does the Minister of Consumer and Corporate Affairs consider that the annual rate on over-due wharfage accounts due the National Harbours Board of 120 per cent is a good example for government to hold to the private sector in terms of interest rates it should charge consumers on consumer over-due accounts and (a) if so, for what reason (b) if not, for what reason?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): As stated by the Minister of Transport in response to question 455, the wharfage charge in question is a penalty to prevent abuse of a privilege. It is a commercial transaction. Quite different considerations arise in consumer transactions where the seller is frequently trying to encourage rather than discourage, the use of credit.

CANADA COUNCIL AWARD TO STUDY REPORTS OF UNIDENTIFIED FLYING OBJECTS

Question No. 1,756—**Mr. Halliday:**

1. Did the Canada Council award $6,000 to study Canadian reports of Unidentified Flying Objects and, if so, was the Council aware that the United States Government spent over half a million dollars between 1966 and 1968 to have competent scientists conduct an intensive study of such reports, including Canadian reports, and that their conclusion was that there was no evidence to warrant any further scientific investigation (the Condon Report)?

2. Did the Council consult with officers of the National Research Council about the advisability of funding such study?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canada Council as follows: 1. Yes. Under the Council's Explorations program, Mr. John B. Musgrave has been awarded $6,000 to catalogue old sightings of strange aerial phenomena as reported in Canadian newspapers, journals and local histories, and to interview people who have witnessed such phenomena, especially prior to 1947. The Council's decision was based on an independent appraisal by four scientifically qualified people who were undoubtedly aware of the Condon Report: the Chairman of the Department of Astronomy in an American university, the director of the Mutual U.F.O. Network in the United States, a biologist, and the editor of the Canadian U.F.O. Report.

2. No. This was not felt necessary for the following reasons: (a) the candidate has a solid background in the history of science and particularly of astronomy, having studied these subjects at two major United States universities, and is now involved in scientific work while teaching at Athabaska University, Edmonton; (b) the focus of his project is historical rather than scientific.

COMMUNITY EMPLOYMENT STRATEGY

Question No. 1,767—**Mr. Epp:**

1. What new programmes are identified as community employment programmes?

2. What percentage of people who will be employed in the development phase will be Canadians now unemployed?

3. What areas in each province have been chosen as locations for implementation of the development phase of the community employment programmes?

4. What is the projected cost of the development phase for 1975-76?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. None as such. However, there will be already established government programmes which will participate and form a part of a community employment strategy.

2. Approximately 100 per cent, since C.E.S. is aimed at those people who are continuously unemployed and who rely on welfare or unemployment benefits for income.

3. British Columbia: Nanaimo and Kamloops; Saskatchewan: Target group of about 1,500 people within the province who are considered employable welfare recipients. Agreements with other provinces are still being negotiated.

4. $15 million.

LIST OF CHARITABLE ORGANIZATIONS

Question No. 1,783—**Mr. Munro (Esquimalt-Saanich):**

Is there a list available of the incorporated causes or institutions deemed, for the purposes of the Income Tax Act, to be charitable institutions and, in consequence thereof, authorized to issue receipts for income tax purposes enabling donors or contributors to claim contributions as deductible expenditures and (a) if so, where is it to be found (b) if not, would it be provided?

Hon. Ron. Basford (Minister of National Revenue): Yes. The Department prepares an annual computer listing of all registered Canadian charitable organizations, corporations and trusts, donations to which are deductible for income tax purposes. Listings of additions and deletions are prepared quarterly. (a) These listings which are approximately four inches in thickness are not distributed to the public although they are made available in the District Taxation Offices for public perusal during normal working hours. (b) Not applicable.

*ELECTRONIC MEDIA COVERAGE IN HOUSE OF COMMONS

Question No. 1,790—**Mr. Gauthier (Ottawa-Vanier):**

1. To the knowledge of the government did the British House of Commons have a free vote on the electronic media coverage of their debates?

2. When the resolution to allow some form of electronic media coverage is moved in the Canadian House, will the government allow a free vote on this most important question?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. The proceedings of the British House of Commons do not come within the administrative responsibility of the government of Canada.

2. A decision will be made when the resolution is before the House.

LAWSUIT BETWEEN MR. ROBERT McGALL, CBC, VANCOUVER AND MS. LISA HOBBS, "VANCOUVER SUN"

Question No. 1,802—**Mr. Reynolds:**

1. With respect to the law suit between Mr. Robert McGall, head of CBC in Vancouver and Ms. Lisa Hobbs of the *Vancouver Sun*, did CBC pay any or all of Mr. McGall's costs?

2. Were Mr. L. Picard, President of CBC and Mr. Knowlton Nash, Director of Public Affairs subpoenaed to appear at the trial or did they volunteer their service?

3. Were Mr. L. Picard or Mr. Knowlton Nash on leave of absence or on corporate time while attending the trial?

4. Did Mr. Picard have any other staff or legal counsel present at the trial who were being paid by CBC?

5. As a result of the court award of $1 only in damages, has the President of CBC or the Minister advised employees of CBC to refrain from suits against writers in newspapers, magazines, radio and television who are critical of CBC and of the actions of its employees so that the media will feel free to attack the Crown corporation whenever it feels it is warranted?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. No, the trial judge has reserved judgment with respect to the awarding of costs; however, if the amount of costs awarded to Mr. McGall is less than the expenses incurred by him, the Corporation has undertaken to reimburse him.

2. They appeared as witnesses at the request of the plaintiff's solicitor, the formality of the issue of a subpoena having been dispensed with by agreement.

3. They were in the performance of their duties.

4. Yes.

5. No.

DEPARTMENT OF SUPPLY AND SERVICES—EMPLOYEES

Question No. 1,812—**Mr. Rodriguez:**

1. What were the number of employees attached to the Department of Supply and Services for the years (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975 to date?

2. Are there any internal security groups located within the Department and, if so (a) which ones (b) how many employees are attached to each such group?

Hon. Jean Pierre Goyer (Minister of Supply and Services): 1. (a) 8,791; (b) 8,597; (c) 8,963; (d) 9,934; (e) 10,010; (f) 10,131 to February 1975.

2. No.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

CABINET MINISTERS' PERSONAL STAFFS

Question No. 42—**Mr. Coates:**

1. What are the names, salaries, positions and dates of appointment of each of the persons on the personal staff of each Cabinet Minister?

2. Is there any limit as to the number of persons or the budget that governs employee appointments and salaries for Cabinet Ministers and, if so, what are the limitations and how are they determined?

Return tabled.

LIP—PROJECTS IN CONSTITUENCY OF MOUNT ROYAL, QUEBEC

Question No. 61—**Mr. Cossitt:**

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $615,102 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Mount Royal, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

PUBLIC SERVICE—NUMBER OF CONSULTANTS ENGAGED AS OF OCTOBER 1, 1974

Question No. 151—**Mr. Clark (Rocky Mountain):**

1. As of October 1, 1974, how many consultants were engaged by (a) the Privy Council Office (b) the Prime Minister's Office (c) the Department of External Affairs (d) the Treasury Board (e) the Department of Indian Affairs and Northern Development (f) the Department of Finance (g) the Department of Transport (h) the Department of Energy, Mines and Resources (i) the Department of Labour (j) the Department of Communications (k) the Department of the Environment (l) the Department of Public Works (m) the Minister of State for Urban Affairs (n) the Department of Regional Economic Expansion (o) the Department of Manpower and Immigration (p) the Department of National Defence (q) the Department of Justice (r) the Department of Consumer and Corporate Affairs (s) the Department of National Revenue (t) the Department of Supply and Services (u) the Department of Industry, Trade and Commerce (v) the Department of Agriculture (w) the Solicitor General of Canada (x) the Secretary of State of Canada (y) the Post Office Department (z) the Department of Veterans Affairs (aa) the Department of National Health and Welfare (bb) the Minister of State responsible for Fisheries?

2. In each case, what was (a) the specific purpose for which the consultant is engaged (b) the duration of the engagement (c) the contracted compensation or remuneration?

Return tabled.

DEPARTMENT OF ENVIRONMENT—RESEARCH EXPENDITURES

Question No. 552—**Mr. Symes:**

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

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

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

Return tabled.

CONSUMPTION OF SUGAR IN CANADA

Question No. 610—**Mr. Lambert (Bellechasse):**

1. How much sugar was consumed in Canada (a) in 1972 (b) in 1973?

2. What is the volume of Canadian production?

[Mr. Coates.]

3. (a) From what countries did Canada import sugar (i) in 1972 (ii) in 1973 (b) what amount was imported from each of these countries (c) at what price per pound?

Return tabled.

PUBLIC SERVICE—PERSONAL DATA SYSTEM

Question No. 621—**Mr. Beatty:**

By organization, for every department, agency or Crown corporation of the government maintaining an automated personal data system used exclusively for statistical report or research, for each system, what is (a) the name of the system (b) the nature and purpose of the system (c) the category and number of persons on whom data are (to be) maintained (d) the category of data (to be) maintained, indicating which category is (to be) stored in computer-accessible files (e) the organization's policies and practices regarding data storage, duration of retention of data and disposal thereof (f) the category of data sources (g) a description of all types of use (to be) made of data, indicating those involving computer-accessible files, and including all classes of users and the organizational relationships among them (h) the procedure whereby an individual, group or organization can gain access to data for independent analysis (i) the title, name and address of the person immediately responsible for the system (j) a statement of the system's provisions for data confidentiality and the legal basis for them?

Return tabled.

PUBLIC SERVICE—PERSONAL DATA SYSTEM

Question No. 622—**Mr. Beatty:**

By organization, for every department, agency or Crown corporation of the government maintaining an administrative automated personal data system, for each system, what is (a) the name of the system (b) the nature and purpose of the system (c) the category and number of persons on whom data are (to be) maintained (d) the category of data (to be) maintained, indicating which category is (to be) stored in computer-accessible files (e) the organization's policies and practices regarding data storage, duration of retention of data and disposal thereof (f) the category of data sources (g) a description of all types of use (to be) made of data, indicating those involving computer-accessible files, and including all classes of users and the organizational relationships among them (h) the procedure whereby an individual can (i) be informed if he is the subject of data in the system (ii) gain access to such data (iii) contest their accuracy, completeness, pertinence and the necessity for retaining them (i) the title, name and address of the person immediately responsible for the system?

Return tabled.

NAMES OF SHIPS CONTAINING BILGE CLEANING SUBSTANCES

Question No. 635—**Mr. Forrestall:**

1. Do any ships or vessels operated by any department or agency of the government contain stocks of bilge cleaning substances which are toxic by themselves or in combination with any petrochemical by-products and, if so, which ones?

2. Has the government made any effort to divert its purchases of bilge cleaning substances from toxic to non-toxic varieties?

3. What has been the dollar value of purchases of bilge cleaning substances by the government in the last measurable twelve month period?

4. Does the government view the continued practice of purchasing bilge cleaning substances that are toxic to marine life when non-toxic varieties are available as being fully compatible with Canada's efforts to achieve a pollution-free marine environment?

Return tabled.

PUBLIC SERVICE—NUMBER OF CONSULTANTS ENGAGED AS OF NOVEMBER 15, 1974

Question No. 897—**Mr. Clark (Rocky Mountain):**

1. As of November 15, 1974, what consultants were under contract to (a) the Office of the Prime Minister (b) the Privy Council Office (c) the Treasury Board (d) the Department of Agriculture (e) the Department of Communications (f) the Department of Consumer and Corporate Affairs (g) the Department of Energy, Mines and Resources (h) the Department of the Environment (i) the Department of External Affairs (j) the Department of Finance (k) the Department of Indian Affairs and Northern Development (l) the Department of Industry, Trade and Commerce (m) the Department of Justice (n) the Department of Labour (o) the Department of Manpower and Immigration (p) the Minister of State (Fisheries) (q) the Ministry of State for Urban Affairs (r) the Department of National Defence (s) the Department of National Health and Welfare (t) the Department of National Revenue (u) the Post Office Department (v) the Department of Public Works (w) the Department of Regional Economic Expansion (x) the Department of the Secretary of State (y) the Solicitor General (z) the Department of Supply and Services (aa) the Department of Transport (bb) the Department of Veterans Affairs?

2. In each case, what is the (a) stated purpose (b) estimated cost of the consultation?

Return tabled.

DAIRY PRODUCTS

Question No. 1,208—**Mr. Wise:**

How many pounds, cases, etc. of dairy products did Canada (a) have in storage (b) export (c) import during each year 1970 to 1973 inclusive?

Return tabled.

ATOMIC ENERGY CONTROL BOARD—RADIATION SAFETY

Question No. 1,721—**Mr. Francis:**

How many people have been appointed to advise the Atomic Energy Control Board on radiation safety and what are their names?

Return tabled.

Mr. Cossitt: Mr. Speaker, I rise on a point of order. I refer the House to question 1,233 which has been on the order paper since the first day of the present session and asks for information concerning the $200,000 swimming pool being constructed at 24 Sussex Drive. Specifically, it asks for the names of the donors, the circumstances surrounding the donations and other details concerning construction. These are matters which could very easily have been answered, yet several months have gone by without an answer being forthcoming.

Surely, it is a simple matter to have the government give this House a list of 25 names. The fact that these names have not been forthcoming can only lead us to the unfortunate assumption, at this stage at any rate, that there is something to hide. If there is no conflict of interest or impropriety involved, I would think that the Prime Minister could today assure the House that he will make public all details concerning the swimming pool immediately, and that failure on his part to do so might well indicate that there must be very good reasons for keeping the truth away from parliament and the public.

Mr. Trudeau: On the point of order, Mr. Speaker. Yes, there are very good reasons for keeping the facts from the House. I understand that those who offered to contribute were told that their names would not be made public.

An hon. Member: What have they to hide?

Mr. Trudeau: For fear that the House would say that I am receiving gifts from certain people and that I would be influenced by those gifts. I think the fact that their names are secret, not only to the House but to myself, certainly makes it very difficult for the House or the country to believe that I am being influenced by any form of gift.

I think the House will have to make up its mind. If the House wants me to be influenced, or to give the appearance of being influenced, by public donors, and the House passes a resolution to this effect, I will have the donors advised of this. If they want to have their names made public, it will be up to them. If they do not, I suspect it would be up to the treasury to foot the bill. This has also been suggested as the proper course.

I will be guided by the House, Mr. Speaker. If hon. members want the funds to come from the public treasury rather than from private and secret donors, that is perfectly acceptable to me except that they will then tell the taxpayers about this added expense that they prefer to see the taxpayers bear rather than have the government accept gifts, as it often does for the benefit of public property.

● (1430)

Mr. Speaker: Order, please. There appear to be other members who want to pursue the same point of order.

Mr. Broadbent: Mr. Speaker, I rise on the same point of order to which the Prime Minister has just addressed himself. I should like to say on behalf of my colleagues that the line of reasoning the Prime Minister has taken is not one with which we are in agreement. It seems to me there is an important distinction to be made between gifts that are made to a prime minister while he is holding office—

Mr. Sharp: It is public property.

Mr. Broadbent: Perhaps the government House leader will hold on for a moment. There is an important distinction to be made between gifts made to a prime minister while holding office which he will take with him when he leaves office, and the kind of situation we have with a swimming pool being added to the official residence of the prime minister of Canada, and that includes prime ministers in general who will come after the present Prime Minister. There is an important point of public policy, which our party holds, that it is wrong in principle to accept private donations in this kind of situation whether the names are revealed or not. If a pool is required for some purpose, it should be government policy to put it in at public expense.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure that hon. members realize there is a great danger that with very little difficulty we could slip into a debate on this question rather than dealing with a point of order. The hon. member for

Leeds (Mr. Cossitt) has raised a point of order, calling to the attention of the House the fact that his question has been on the order paper for some time and has not been answered. That point of order has now been rather fully discussed and I think we should move on to something else.

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

An hon. Member: Sit down.

Mr. Cossitt: Mr. Speaker, a few moments ago the Prime Minister said, if I recall his words correctly, "if you want me influenced by this then I would see that these things are revealed". I should think that, in fact, this is an improper thing to be said to this House, and is in effect threatening this House—

Some hon. Members: Order.

Mr. Speaker: Order, please.

Mr. Cossitt:—he should make them public and treat the House with more respect and less arrogance—

Some hon. Members: Order, order.

Mr. Speaker: Order, please. I am sure the hon. member realizes that he is raising a point of discussion or debate and not a question of privilege.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for production of papers No. 31 is acceptable to the government.

COPY OF NAMES OF CONSULTING FIRMS ELIGIBLE TO PROVIDE PROFESSIONAL SERVICES TO CIDA

Motion No. 31—**Mr. Munro (Esquimalt-Saanich):**

That an Order of the House do issue for a copy of a list of names and addresses of consulting firms eligible to provide professional services to CIDA and the total amount of money paid to each firm for the years 1973-74 and 1974-75.

Motion agreed to.

COPIES OF PRESS RELEASES RELATED TO EXTERNAL AID PROGRAMS

Motion No. 29—**Mr. Munro (Esquimalt-Saanich):**

That an Order of the House do issue for copies of the press releases relating to the projects (a) Cadastre program in Morocco (b) National Library for Ivory Coast (c) Educational television for Ivory Coast (d) Automated bakery in Tanzania (e) 11 Twin Otter Stol planes for Indonesia (f) Microwave system for Zaire (g) Uplands Sugar Mill, Barbados (h) Hydro Studies, Salto Grenade, Argentina (i) Electric Power, Electrobras, Northeast Distribution, Brazil (j) Earth Satellite Station, Pakistan (k) Cimmyt, Mexico, International Development Research Centre (l) Cyat, Colombia, International Development Research Centre (m) Derro Tetouan project, Morocco.

[Mr. Speaker.]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for production of papers No. 29 is acceptable in so far as part a, e, i, j, k, l and m are concerned. In so far as parts b, c, d, f, g, and h are concerned, no press releases were issued.

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary, is it the pleasure of the House that notice of motion No. 29 is deemed to be adopted?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions for production of papers, Nos. 15, 28 and 30?

COPIES OF CORRESPONDENCE RELATING TO ABORTION AND/OR SECTION 251, CRIMINAL CODE

Motion No. 15—**Mr. Leggatt:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the Minister of Justice and the Attorneys General and Ministers of Health of the provinces dealing with the subject of abortion and/or Section 251 of the Criminal Code of Canada.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, correspondence between the department or Minister of Justice and the attorneys general of the provinces concerning abortion and/or Section 251 of the Criminal Code contains confidential communications. I would, therefore, ask the hon. member to withdraw his motion.

Mr. Leggatt: Mr. Speaker, may that be transferred for debate?

Mr. Speaker: Transferred for debate.

COPY OF CORRESPONDENCE WITH CBC PERTAINING TO PROGRAMME "BAPTIZING"

Motion No. 28—**Mr. Dinsdale:**

That an Order of the House do issue for a copy of all correspondence with CBC pertaining to the programme "Baptizing", presented on the CBC national TV network on Sunday evening, January 19, 1975.

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am advised by the CBC as follows: The correspondence in question is confidential as between the correspondents and the CBC. The CBC welcomes reactions to programs and the effect of publication of the correspondence would be to create a reluctance on the part of interested parties to comment in writing to the CBC about its programs.

An hon. Member: Nonsense.

Mr. Blouin: Under the circumstances, the hon. member may wish to withdraw his motion.

Some hon. Members: No.

Mr. Speaker: Transferred for debate.

COPIES OF AREA PROGRAMME SUMMARIES FOR 1972-75

Motion No. 30—**Mr. Munro (Esquimalt-Saanich):**

That an Order of the House do issue for copies of the Area Programme Summaries for the years 1972-73, 1973-74 and 1974-75, covering such areas as Commonwealth Africa, South America, Francophone Africa, and any other area breakdowns for which Area Programmes have been prepared.

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, Motion No. 30 is not acceptable because there is in the documents we are asked to table some parts dealing with international relations the release of which might be detrimental to the future conduct of Canadian foreign relations. I would therefore ask the hon. member to withdraw his motion.

Transferred for debate.

[*English*]

Mr. Reid: Mr. Speaker, I would ask that the other notices of motions be allowed to stand.

[*Translation*]

Mr. De Bané: On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Matane (Mr. De Bané) on a point of order.

Mr. De Bané: Mr. Speaker, earlier the parliamentary secretary has asked for authorization to be relieved of the obligation to table a document in the two official languages. You have asked if there was unanimous agreement to have the documents tabled in only one of the two official languages. Personally, I objected. I do not want to come back on what has been done but I would like to inform the parliamentary secretary or any minister that from now on I will object to having a document tabled in only one of the two official languages.

[*English*]

Mr. Speaker: Perhaps I missed the objection of the hon. member because I could not hear it. After the parliamentary secretary made his suggestion to the House I put the question in respect of agreement, and it was so ordered. I did not hear any dissenting voice, and perhaps that is a weakness of my right ear.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR EARLY STATEMENT ON OBJECTIVE IN SEEKING CONSENSUS AND PROGRESS THEREON

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, now that we are probably approaching an

Easter break, I should like to ask the Prime Minister whether he can assure us that the House will be informed during the first week of our return after Easter of the specifics of the government's so-called consensus program and any other contingency plans it may have on the shelf to deal with the very serious social and economic stresses in the country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member is referring to the kind of statement I will be making publicly to the First Ministers Conference, of course I will be prepared to discuss that in the House and answer questions relating to it. If he is asking for a further statement, I cannot give that assurance.

Mr. Stanfield: Mr. Speaker, the right hon. gentleman must recognize, in view of our pursuit of this information for a number of months, that his answer is totally unsatisfactory. Does the Prime Minister not realize that this attitude is bound to cause a spirit of hostility and non-co-operation to exist in this chamber after we return? If that is the way things are to be, Sir, that is the way they will be.

INFLATION—POSSIBLE DISCUSSION OF CONSENSUS PROGRAM AT FIRST MINISTERS' CONFERENCE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a couple of questions to the Prime Minister in an attempt to change, this apparent secrecy which seems to permeate the House regarding the consensus program. The Prime Minister told the House last Thursday that the first day of the First Ministers' Conference might well be open. Would he tell the House what items will be discussed on the first day and, specifically, will the consensus program be discussed in the open at that time? I think we are entitled to know what the thinking of the government is in this regard. Will that be an open meeting?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the agenda will be as follows: there will be a statement by the eleven First Ministers, and then there will be two items on the agenda, the first being the question of oil and gas pricing, distribution and so on, and the second being the economic situation. I cannot say for certain how much time will be taken on the first item or whether the second item will be reached on the first day. I would think it fair to guess that it is not too likely the second item will be reached on the first day, and it is possible that the first item will continue into the second day. Whether at that time the First Ministers will or will not want to make any part of their discussions public is something I cannot decide for them.

● (1440)

I have taken a stand, which I have made public in this House, that the federal government will not take any lead in making meetings private, but if the desire of the committee of First Ministers is that they be private we will respect that desire and support them.

Oral Questions

INFLATION—GOVERNMENT VIEW OF LEVEL WHICH MIGHT BE ACHIEVED THROUGH CO-OPERATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I hope the Prime Minister would indicate then to the First Ministers that this matter is of some prime concern and the meeting should be open to determine perhaps what role the Canadian people can play in that regard. On March 12 the Minister of Finance said:

> What is dangerous is that current settlements are anticipating rates of inflation which project the rate effective in 1974, and if this continues to happen, it will become a self-fulfilling prophesy . . .

I am sure the Prime Minister must be very concerned at least with the prediction of the Canadian Labour Congress that inflation in fact will run around 12 per cent in 1975. Would the Prime Minister tell the House whether during the consensus talks the government has argued that a substantially reduced inflation rate is possible for this year, and if that is the case I am sure the Prime Minister would now be most anxious to tell the House what reduced level a program of co-operation could achieve?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take the first part of the question as a representation and will convey the feeling of the hon. member for Hamilton West to the first ministers, his feeling about how important it is for the public to assist in the debates on the second day or whatever his expression was. On the latter part of the question, I think this is a good illustration of the inadvisability of the government making a complete statement on what it is doing in the consensus process at this time because the hon. gentleman chose as an example the labour movement. I feel it is very important to not ask any sacrifice by the labour movement if that sacrifice is not met by other sectors of the economy. It would be very unwise for me to answer, even in part, the kind of question put by the hon. member for Hamilton West.

Mr. Alexander: Mr. Speaker, surely the Prime Minister must know that so long as there is no indication from the government concerning what the inflationary rate will be, labour will have no leadership in this regard and will continue to make statements about what wage levels should be and wage settlements will be geared accordingly. Surely, the Prime Minister knows there should be leadership in this regard. Will he not give this leadership and indicate what this co-operation will do in terms of reducing the rate of inflation?

Mr. Trudeau: Mr. Speaker, there is no question that leadership is required, but what the hon. member seems to be arguing is that every stage of our consultation must be made public in order to prove our leadership to the hon. member. I say, Mr. Speaker, that our leadership can be made evident without that.

[Mr. Trudeau.]

COMBINES

POSSIBLE TAKE-OVER OF ARGUS CORPORATION BY POWER CORPORATION—GOVERNMENT ACTION TO PREVENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to direct a question to the Prime Minister. Considering that the Royal Bank has made it known to the Power Corporation that if it should succeed with a take-over bid in respect of the Argus Corporation it, the Royal Bank, would put up the almost $150 million in capital that would be necessary, I should like to ask the Prime Minister, considering that such a take-over and the investment associated with it would not represent an investment that would lead to increased productivity in the economy, whether the government in this particular case would take steps to ensure that this is not proceeded with and, second, would the government take the necessary steps to ensure that it would have the authority over investment patterns of this scale in the economy as a whole in the future.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot, of course, comment on the preamble to the question. The hon. member seems to know more about what is going on in respect of the Royal Bank and the Power Corporation than I do.

Mr. Broadbent: I have my doubts about the Power Corporation.

Mr. Trudeau: Obviously, he has access to information I do not have. The concern he seems to imply by his question certainly is one I have expressed. I am looking into this matter. I do not think it would necessarily follow for the reasons alleged by the hon. member, but there is a question of the degree to which competition in Canada might be reduced by such a take-over and I am having the matter looked at. I might mention that if the House would co-operate with regard to the passage of Part I of the competition bill, then perhaps we could get on with Part II and perhaps deal with the matter raised by the hon. member.

Mr. Broadbent: Mr. Speaker, I should like to follow up the answer given by the Prime Minister and ask him, if in the course of investigations the government reaches the conclusion that some of the benefits that come from the alleged competition which now takes place would be removed by such a take-over, whether he would assure the House that the government would take the necessary steps to stop it?

Mr. Trudeau: Well, the question is hypothetical in its form, but it would seem to me if the hon. member would look at the first part of my answer he would understand that that, indeed, is part of my concern. My reference to stage two of the competition bill is that in the government's mind further steps would be taken beyond those which now exist in our law to give the government power to look into this kind of thing.

[*Translation*]

NATIONAL SECURITY

PRESUMED CONNECTION BETWEEN INTERPOL AND SOME NAZIS—REQUEST FOR AN INQUIRY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Solicitor General, I shall put a question to the right hon. Prime Minister.

As today is Easter's eve for the Jewish community and also because the Solicitor General has received over 30 telegrams from them with regard to an Interpol inquiry as well as a brief proving ties between the Nazis and Interpol, does he consider that the time has come to order an in-depth inquiry into the connections between the Nazis, Interpol and the Jews?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know absolutely nothing about the telegrams mentioned by the hon. member; in addition, I doubt that Interpol, the Nazis or the Jews fall under the jurisdiction of the department of the minister concerned. As for the Jewish community, which might be interested in this matter, I take this opportunity to say to it, "Shalom".

Mr. Rondeau: Mr. Speaker, I have a supplementary for the Prime Minister.

Because Canada is a member of Interpol, and because Jews have on many occasions complained about Nazi control over Interpol, would the right hon. Prime Minister look into this matter in depth, in view of the absence of the Solicitor General of Canada.

Mr. Trudeau: Mr. Speaker, I will take note of the question; if the hon. member gets in touch with the minister, he will get information on which to launch his study.

* * *

[*English*]

COMBINES

POSSIBLE TAKE-OVER OF ARGUS CORPORATION BY POWER CORPORATION—APPLICABILITY OF PROVISIONS OF BILL C-2—EFFECT ON COMMUNICATIONS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Prime Minister. First of all, would the Prime Minister assure me that he will re-read Bill C-2 about which he is so proud and agree that the provisions of that bill in no way would touch the Power Corporation-Argus Company so far as the existing clauses of the bill are concerned? Would the Prime Minister agree to do that for us at least?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that would appear to be a rhetorical question. The only reason for it is that the hon. member did not listen to my reply. I was talking about step two of the competition bill which we would reach only if stage one is accepted by the House with some expedition.

Mr. Lambert (Edmonton West): Yes, Mr. Speaker, if the Prime Minister and this country would be prepared to accept Bill C-2. But in any event, I wonder whether the Prime Minister has asked the Secretary of State and the Minister of Communications to look into particular aspects with regard to communications and the effect there might be if this takeover bid was successful.

Mr. Trudeau: No, Mr. Speaker, I did not refer to the Secretary of State, but this is one of the aspects which did catch my attention and that is why I drew it to the attention of my officials and asked them to look into the matter in consultation with other departments.

* * *

● (1450)

ESTIMATES

METHOD OF DEALING WITH ITEMS RELATED TO SECURITY—POSSIBILITY OF PUTTING ITEMS IN MISCELLANEOUS VOTES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the President of the Treasury Board. In view of the disclosure by the Minister of State for Science and Technology that a number of security items are listed under unrelated headings in the annual estimates, will the minister tell the House which of the estimates are not accurate?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the Minister of State for Science and Technology and of Public Works offered hon. members of the opposition to meet them and give them some explanations. I think they should benefit from this opportunity.

[*English*]

Mr. Speaker: Order, please. I am prepared to see the hon. member for Calgary Centre on a supplementary question. However, questions about the estimates and their content really ought to be directed to ministers in the standing committees when the estimates are being examined.

Mr. Andre: I certainly do not want to challenge the judgment of the Chair, but I feel that this goes beyond the usual interrogation conducted in committees into the details of the estimates, in that in committee we were informed that certain votes in the estimates could, in fact, include items dealing with security matters and therefore the accuracy of the estimates could be questioned. This opened the question of whether, in fact, the House can be asked to judge. Would the minister consider including such security items in the annual estimates if they could be isolated from the main estimates as, for example, miscellaneous votes.

[*Translation*]

Mr. Chrétien: Mr. Speaker, yesterday the minister gave an explanation that I think is very good. It would not be in the interest of Canada to give any more details than we are giving now.

Oral Questions

[*English*]

NATIONAL SECURITY

RESPONSIBILITY OF COMMUNICATIONS BRANCH OF NRC—ACCEPTABILITY OF MINISTER'S ROLE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Prime Minister, and it arises from the statement of the Minister of State for Science and Technology that he is kept informed as to the activities of the communications branch of the NRC, and I quote, "to the extent that they think I could be useful". Quite apart from the question of parliamentary scrutiny of the nation's security apparatus, I ask the Prime Minister whether the minister's position that it is proper for him to leave the matter strictly in the hands of the communications branch with respect to whether he is made aware of their activities is in his opinion acceptable procedure for the overseeing of the country's security machinery?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to be a matter of administrative convenience. Cabinet ministers, and certainly I, myself, do not ask their officials to report to them on every possible subject which comes before them. They rely on the judgment of their immediate advisors and deputy ministers or directors, and if on some occasions they do not have confidence in or doubt the judgment of those advisors, of course, they will look beyond the advice given, but as a matter of practice I am sure no minister wants to know every detail of everything which happens under his jurisdiction.

Mr. Beatty: Of course, I was not asking that the Minister of State for Science and Technology be informed of every detail of their activities, but is the Prime Minister saying that it is acceptable procedure for a minister of the Crown responsible for one important part of our security apparatus to simply rely upon the judgment of the people involved in the machinery as to whether he should be kept informed of their activities, or does the Prime Minister feel that experiences in other jurisdictions with respect to this matter would justify ministers responsible for the security apparatus taking an active part in overseeing the activities of groups responsible to them?

Mr. Trudeau: Mr. Speaker, there is no contradiction between the two postures. I am sure every minister oversees every aspect coming under his jurisdiction, but he does not ask his officials to report on every detail of it. He relies on their judgment to bring to his attention matters which are of importance.

[*Later:*]

POSSIBILITY COMMUNICATIONS BRANCH OF NRC MONITORING LONG DISTANCE TELEPHONE CALLS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is also for the Prime Minister who, I presume, is sporting a Pick Nick button because he could not find anyone in Alberta to wear it.

Some hon. Members: Oh, oh!

[Mr. Chrétien.]

Mr. Clark: I want to return to the security matter and refer again to the testimony of the Minister of State for Science and Technology who said that the communications branch of the NRC, and I quote, "do monitor Hertzian waves emanations." Since that phrase could include microwave communications, including long distance telephone calls, will the Prime Minister tell the House whether the agency is monitoring long distance telephone calls placed in Canada to points in Canada or outside Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know, but I will refer the question to the Minister of Communications or the Minister of State for Science and Technology to see if either of them can give the answer in the public interest.

REASON FOR TRANSFER OF COMMUNICATIONS BRANCH FROM NRC TO NATIONAL DEFENCE—MINISTER TO WHOM BRANCH REPORTS

Mr. Joe Clark (Rocky Mountain): I trust that a simple answer as to whether such an activity is being conducted can be divulged to the House of Commons. My supplementary to the Prime Minister deals with whether the transfer of the communications branch of the National Research Council to the Department of National Defence was part of a general transfer of security responsibilities. If not, will the Prime Minister tell us why the communications branch of the NRC was transferred and whether it is the plan of the government to concentrate all security agencies in one ministry so that one minister can exercise the kind of supervision of which my hon. colleague spoke earlier and which, according to the Prime Minister's colleague who is absent today, is necessary in the case of the communications branch.

Right Hon. P. E. Trudeau (Prime Minister): My understanding of the reason for the transfer is that the Department of National Defence is the main user of the kind of intelligence which might be gathered by this unit. The Department of National Defence is, of course, interested in intelligence relating to military operations of foreign powers, and that is why it is the main user. As to the other suggestion, the answer is no. The over-all supervision for matters of security and intelligence comes under the cabinet and, more particularly, under the cabinet committee on security and intelligence.

Mr. Clark (Rocky Mountain): Will the Prime Minister advise the House whether the communications branch, now of the Department of National Defence, will report to the Minister of National Defence, or will it report to someone else? If it is someone else, who is that other person, and where is that person located in the government?

Mr. Trudeau: Mr. Speaker, this is a matter of internal function of the government apparatus. If answers can be given along these lines, they will be given by one minister designated by me. If the answers cannot be given, they will not be given by any minister.

NATIONAL PARKS

TOLLS ON RIDEAU-TRENT-SEVERN WATERWAY—POSSIBLE CONSULTATION WITH CORTS COMMITTEE BEFORE IMPOSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. The minister stated in reply to a question asked by the hon. member for Frontenac-Lennox and Addington concerning the authorization of the first ever tolls on the Rideau-Trent-Severn waterway that he accepted full responsibility. In view of the fact that the CORTS Committee of the Rideau-Trent-Severn waterway made a very strong point of the fact that this is a unique waterway, the only one without usage fees, I would like to ask the minister whether he consulted this committee before taking this action.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the committee was not consulted before taking this action because when the matter was discussed and approved by the Treasury Board, the CORTS Committee was not in existence. This is just a relatively recent development. I think it is three weeks since the committee was formed, so in fact this matter was a *fait accompli* before the CORTS agreement was signed and before the committee came into existence. I should mention that these fees only represent seven per cent of the operating costs of the canal system. This question was asked by an hon. member the other day.

Mr. Rynard: I would like to ask the minister if it was not on the suggestion of the federal government that the CORTS Committee was set up just for this advice. I think it has been set up longer than the minister suggests.

Mr. Buchanan: Mr. Speaker, the submission and approval of the fee structure antedates the establishment of the CORTS Committee, and the mandate of the CORTS Committee is far broader than simply this narrow aspect as far as its interest in dealing with the operation of the canals involved.

TOLLS ON RIDEAU-TRENT-SEVERN WATERWAY—PERCENTAGE OF TOLLS EXPENDED ON ADMINISTRATION

Mr. P. B. Rynard (Simcoe North): I would like to ask the minister what percentage of the 15 per cent will be spent in administration and for hiring the necessary people to look after the collection of the fee?

● (1500)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I presume the hon. member means what portion of the 7 per cent of operating costs? In other words, the revenues collected will represent 7 per cent of the operating costs of the canal system. I am sorry that I cannot give that information right now.

Mr. Speaker: The hon. member for Northumberland-Miramichi on a point of order.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, my point of order arises from the last supplementary of the hon. member for Rocky Mountain. May members on this side of the House ask questions without recognition from the Chair as well?

Mr. Speaker: The hon. member for Longueuil.

* * *

[*Translation*]

LABOUR CONDITIONS

REQUEST FOR HIGHER MINIMUM WAGE—GOVERNMENT POSITION

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I notice you looked in our direction. There are also some questions which should be asked by hon. members on this side of the House.

I have a question for the Minister of Labour.

Could he inform the House if and when he intends to raise the minimum wage because the people covered by the legislation on minimum wages need an increase?

[*English*]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, the cabinet has approved an increase in the minimum wage from $2.20 as it is now, to $2.60 effective July 23, 1975.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): It was published in the paper yesterday.

Mr. Munro (Hamilton East): This is a 40 cent increase, and will put it ahead of that of any other jurisdiction.

* * *

THE CANADIAN ECONOMY

POSSIBILITY OF NEW BUDGET IN VIEW OF HIGH UNEMPLOYMENT—SUGGESTED INCREASE IN PROCESSING RAW MATERIALS TO CREATE EMPLOYMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would personally invite the Prime Minister back to his seat. In the absence of the Minister of Finance, I should like to put a question to the Prime Minister. In view of the fact that the Conference Board has predicted that Canada's unemployment rate will reach 8.5 per cent by the end of this year with very little growth in the economy, may I ask the Prime Minister whether, in view of that, the government is considering bringing a new budget into the House immediately?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance is in Washington for the IMF meetings. I will relay the question of the hon. member to him when he returns.

Mr. Nystrom: A supplementary question. Is the Prime Minister now ready to instruct the Minister of Finance to bring in a new budget in view of the fact that the unemployment rate will be nearly 9 per cent by the end of this year?

Mr. Trudeau: I am sure the hon. member knows that I respect the judgment of the Minister of Finance and that he makes his own decisions.

Mr. Nystrom: A final supplementary. In view of the projected high unemployment rate and the massive deficit we have in manufactured goods in this country, may I ask the Prime Minister whether the government intends to get tough and require firms to do more processing and manufacturing of raw materials in this country prior to export in order to create more jobs for Canadians?

Mr. Trudeau: The hon. member is restating his question. The policy of the government has already been announced.

* * *

TRADE

SUGGESTION MINISTER VISIT OTHER COUNTRIES TO LEARN SUCCESSFUL TRADING PATTERNS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, obviously the tame seals are getting restless for a dive in the new pool at Sussex Drive. My question is for the Prime Minister. In view of the fact that the volume of exports of fully manufactured products, which are the ones which produce the jobs, has been declining steadily in the past 18 months and imports of the same products have been rising rapidly, showing that our chief trading partners are more adept exporters of products to Canada than we are at selling abroad and this has had an adverse effect on our employment, would the Prime Minister give serious consideration immediately after the Easter recess to having the Minister of Industry, Trade and Commerce visit the capitals of some of our more successful trading partners—

An hon. Member: And stay there.

Mr. Hees: —to study their trading patterns and bring them back to Canada which would have a tremendous effect on production and employment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think there is agreement between the hon. member and the government view of these things or indeed the view of most responsible economists. If our exports are falling, it is because so many of the economies of our traditional markets, like the United States, are weakening and they are not in as strong a position to buy our goods as before. If imports are increasing, it is because Canadian society and the economy is very strong.

Some hon. Members: Hear, hear!

Mr. Hees: A supplementary question arising from that very interesting answer. In view of the fact that imports from other countries of fully manufactured products are every day displacing a very large volume of Canadian products offered in the Canadian market, how does the Prime Minister conceive that our economy is so much more adept in producing goods at a reasonable price than other economies?

[Mr. Nystrom.]

Mr. Trudeau: Will the hon. member give me some examples, please?

Mr. Hees: Mr. Speaker, I would suggest the Prime Minister take the time and trouble to look at the figures produced by Statistics Canada. Mr. Speaker, when one receives an answer like this it shows no regard for the employment and welfare of the Canadian people. Is it any wonder that the Prime Minister has found it necessary to have both of his limousines bullet-proofed?

Mr. Trudeau: Mr. Speaker, I say to the hon. member that I do have high regard for the prosperity of the Canadian people and for the welfare of the hon. member. For that reason I suggest that he remove his head from the buttonhole of his shirt that he put it in this morning.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. This is a very entertaining exchange. There are other members, however, who should be called upon.

Mr. Hees: A question of privilege, Mr. Speaker. As a result of this last answer which I got from the Prime Minister, I should like to ask him if he is suffering severely from headaches from having his head in the sand so much of the time?

Mr. Speaker: Order, please. I wonder if I might just borrow a moment from the question period which I will add on at the end. I want to remind hon. members that regardless of when we rise for the Easter break, there is an order of the House which will change the form of the question period. It will take effect upon the first Monday on our return after Easter. That order will have the effect, on an experimental basis, of having the question period begin forthwith after any motions pursuant to Standing Order 43. Question period will begin not later than 2.15 p.m. or earlier if there are no motions, or just a few, pursuant to Standing Order 43 and regardless of interruptions, points of order and questions of privilege, will terminate at three o'clock. Accordingly, one of the effects of the order covering the experiment will be that the question period will become a sort of self-policing thing in regard to interventions.

I wanted to make that known to hon. members now and to add that on the first Monday after our return at the end of the question period that day, at three o'clock, I would propose to put to the House the views I have collected from an examination of the precedents and the collective wisdom on the question period as a point of departure from which we might begin to come to an understanding about those guiding principles which should govern the question period. I hope to do it in such a way as to invite comment from hon. members, whether that comes through meetings of House leaders or of the Standing Committee on Procedure and Organization, which I am always happy to attend, or discussion in the House. It would seem that introduction of that new experimental order would be an opportunity to begin with a most comprehensive statement about the question period, to invite discussion and take it from there.

CONFLICT OF INTEREST

REQUEST FOR ASSURANCE NO DONATIONS RECEIVED FROM DREDGING COMPANIES FOR SWIMMING POOL AT PRIME MINISTER'S RESIDENCE

Mr. Craig Stewart (Marquette): Mr. Speaker, I have a question for the Prime Minister which pertains to questions that are unanswered on the order paper. Can the Prime Minister or whoever is in charge of administering the funds for the construction of the swimming pool at his official residence assure the House that no donations were received from dredging companies or officials connected with dredging companies?

Mr. Speaker: Order, please. The hon. member for High Park-Humber Valley.

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● (1510)

AIRPORTS

PICKERING—REQUEST FOR RECONSIDERATION OF DECISION TO CONSTRUCT IN VIEW OF MAJORITY VOTE AGAINST PROJECT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of Transport and is with regard to the controversial Pickering airport. Because the minister made a commitment to revise the proposed airport plans if it could be shown that the people of Toronto are opposed to it, and as a recent survey conducted by a reliable market research firm shows that the majority of the people of that city do oppose a second airport, can the minister assure the House that he will now consider the wishes of the people of Toronto and keep his own word, by taking immediate steps to stop any further planning or construction of the project and bring the whole issue back to cabinet and perhaps the House for revision, as promised.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have not seen the details of the inquiry referred to by the hon. member. He speaks of metro Toronto; what is metro Toronto, exactly? He speaks of 40 per cent of the people of Toronto being opposed; does that mean that 60 per cent support the airport? I have no details. Surely, he does not expect me to answer a simple question like this, which hides much more than it shows.

Mr. Jelinek: A supplementary question, Mr. Speaker. The poll to which I referred has been made public and shows that not 40 per cent but 54.4 per cent of the people were opposed to the proposed Pickering airport. When I refer to metro Toronto, I am referring to the city of Toronto, as the minister well knows. The minister made a commitment to this House, which is on record.

Some hon. Members: Order.

Mr. Jelinek: May I ask my supplementary question, Mr. Speaker. In order to avoid the embarrassment of the accusation that he is deliberately trying to mislead the House, could the minister tell us what other information would satisfy him and induce him to revise this white elephant project.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I have absolutely no idea of the value of the statistics given. I know we have made our own investigations. I came back from Toronto this morning, where I met the Minister of Transport. There is nobody in all Toronto who complained about the construction of the Pickering airport, and I met several persons.

* * *

[*English*]

TRANSPORT

DREDGING CONTRACT FOR GOLDEN EAGLE REFINERY IN QUEBEC—REQUEST FOR DETAILS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Transport and concerns certain St. Lawrence Seaway dredging contracts. Is the minister, or are his officials, aware of the dredging contract entered into in the Quebec city area, allegedly for the Golden Eagle refinery? It was entered into even though informed and knowledgeable river and port interests were consulted and advised against such dredging contract. That contract proceeded on the basis of a $10 million bid. When tenders came in, the price was $20 million and already $36 million has been spent on it. Does the minister know anything about that particular contract?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am not aware of the details of that contract, but will inquire. I do not think I was Minister of Transport at that time.

Mr. Benjamin: Are you now?

Mr. Marchand (Langelier): I will look into the matter and see if there is anything to report.

Mr. Nowlan: A supplementary question, Mr. Speaker. As this took place in 1971 or 1972, I concede that the minister was not in charge, although his departmental officials were informed. While looking into the matter—I know he cannot report to the House until after Easter—could he determine what prominent Liberals were in favour of the contract, as I understand that one of them is a colleague of his who is now a member of the cabinet but who was not in the cabinet when he made strong representations for this contract to be proceeded with.

Mr. Speaker: Order, please.

[*Translation*]

EXTERNAL AFFAIRS

SAUDI ARABIA—INQUIRY WHETHER CONDOLENCES SENT ON DEATH OF KING FAISAL AND WHETHER CANADA REPRESENTED AT FUNERAL

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would like to put a question to the Secretary of State for External Affairs.

In view of the tragic and deplorable events in Saudi Arabia, would the Secretary of State for External Affairs tell us whether the condolences of the Canadian population have been offered to King Khaled, and whether the Canadian government is officially represented at the funeral of this head of state?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, His Excellency the Governor General, the Prime Minister and I sent messages to the new king, King Khaled. In those messages we expressed the shock and grief of the nation at the tragic death of the late king. He was a leader who exerted major influence in world affairs and, particularly, within the Arab world. The Canadian representative at the funeral ceremonies today is our ambassador, Mr. Michael Shenstone.

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[*Translation*]

COMMUNICATIONS

CABLEVISION—DISCUSSIONS BETWEEN QUEBEC AND FEDERAL GOVERNMENT

Mr. René Matte (Champlain): Mr. Speaker, I want to put a question to the Minister of Communications.

Can the minister tell the House what is the state of the negotiation with the Quebec government as regards the control of cable distribution and whether the respective positions of the federal and the Quebec governments remain relentlessly opposed?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, on the request of the Quebec government itself, it is not a bilateral, but a multilateral consultation between the federal Minister of Communications on the one hand, and on the other hand the ten provincial Ministers of Communications. It would be too long to explain in detail what point we have reached. Therefore, I shall try to be short and say that a letter is being sent today to the president of the Commission of the provincial Ministers of Communications, Mr. Rhodes, the Ontario Minister of Communications. The letter says that the federal Department of Communications is willing to call a conference on an agenda mentioned in the letter, and that the date which would be most suitable for us and which we hope would suit the provinces would be around the middle of May.

[Mr. Speaker.]

[*English*]

ADMINISTRATION OF JUSTICE

REQUEST FOR CLEMENCY FOR DR. MORGANTALER—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Justice. Dr. Morgantaler was acquitted by a jury, but the Supreme Court of Canada has upheld the decision reversing the acquittal; three judges, three members of the highest judicial authority in Canada, including the Chief Justice held, however, that the conviction ought to have been quashed. In view of this will the minister look into the case and recommend to the cabinet that it should exercise powers conferred on it on grounds of clemency, as it is obvious that the offence was committed for humanitarian motives.

Some hon. Members: Oh, oh!

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there will be no such recommendation. I will, of course, as a matter of interest, examine the judgments of the court in this case. I am rather astonished by the hon. member's suggestion that, in some fashion, the minority of the court overrides the majority.

Mr. Brewin: A supplementary question, Mr. Speaker. Does the minister not know that even though a majority of the court has convicted a person, it is the duty of the Governor in Council to consider whether clemency should be exercised. Why is the minister not ready to perform that duty?

Mr. Lang: Mr. Speaker, the law requires that various powers conferred on the executive shall be exercised only in most exceptional circumstances, indeed, only if there is some indication of the failure of the legal process. In this case, on the contrary, the legal process was carefully pursued to the Supreme Court and, without doubt, with great care in the Supreme Court itself.

* * *

TRANSPORT

SALE OF CHAPMAN TRANSPORT TO DIRECT WINTERS TRANSPORT—ALLEGED ATTEMPT TO GAIN MONOPOLY IN BRITISH COLUMBIA—GOVERNMENT POSITION

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is for the Minister of Transport and requires consideration. It has been reported that Chapman Transport Ltd., a wholly owned subsidiary of Canadian National Railways, has been sold to Direct Winters Transport Ltd. of Toronto, a wholly owned subsidiary of Fuqua Industries Incorporated of Atlanta, Georgia. Can the minister advise the House if this sale met with his approval and did it receive the approval of the Governor in Council administering the Foreign Investment Review Act.

● (1520)

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have no memory of that deal. I shall inquire. If

it has been made, it was surely without my knowing it and I would be surprised if the Canadian National had that authority. However, I shall inquire and report to the hon. member.

[*English*]

Mr. Huntington: Mr. Speaker, I wish to direct a supplementary question to the Acting Minister of Industry, Trade and Commerce. Is the minister aware that Direct Winters Limited has bought Miller Brown Limited, as reported to me yesterday, Chapman Transport Limited, and has approached other provincial carriers in the province of British Columbia in an attempt to create a monopoly of provincial interior carriers that will be wholly-owned by their United States holding company, Fuqua Industries Incorporated?

Mr. Speaker: Order, please.

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AGRICULTURE

DATE OF ANNOUNCEMENT OF SUBSIDY ON INDUSTRIAL MILK AND GOVERNMENT INTENTION WITH REGARD TO FLUID MILK SUBSIDY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to ask the Minister of Agriculture when he proposes to make his announcement with regard to subsidies on industrial milk which was promised before the end of March. Second, does the minister intend to reinstate the milk subsidy on fluid milk? If not, does he intend to consult with his colleague, the Minister of Consumer and Corporate Affairs, to find some new method of bringing relief to hard pressed Canadian consumers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I made several statements in the House on behalf of the government on the consumer milk subsidy and as to our intentions. The spending of the government has been criticized by members of the opposition and by the public, but over half of our increased spending is to take care of people whose incomes do not allow them to look after themselves in the fashion we want. Therefore, we increased the social benefits. The dairy policy will be announced before the first of April.

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[*Translation*]

ENERGY

POLICY ADOPTED BY GOVERNMENT CONCERNING ADVERTISING—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the right hon. Prime Minister.

Considering that the Minister of Energy, Mines and Resources has decided that his department will no longer pay for any advertisement in the newspaper *Le Jour*, and that the Minister of National Health and Welfare said yesterday that the cabinet had not yet been informed of this matter but that other departments may act in a similar fashion, I would like to ask the right hon. Prime Minister if the government plans to apply to all its departments the policy now followed by the Minister of Energy, Mines and Resources.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, each department's advertisement is left entirely at the discretion of the department concerned. The minister has stated publicly that he has made a personal decision and I would like to add that I congratulated him personally.

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

Mr. Speaker: The hon. member for Joliette on a question of privilege.

Mr. La Salle: Since the decision of the Minister of Energy, Mines and Resources creates a precedent as concerns advertising and since 25,000 Quebecers buy this newspaper and probably from 50,000 to 75,000 people read it, I am wondering if the government does not plan to take the same attitude as concerns certain projects of the Opportunities for Youth Program, of which the sponsors are often not necessarily the greatest of federalists, even though these projects benefit Quebecers.

Mr. Speaker: The hon. member may ask just another supplementary question, but unfortunately, in spite of the importance of this issue, the oral question period is nearly over and I would like to recognize three or four other members.

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[*English*]

AIR CANADA

EFFECT OF BILL 22 ON HEADQUARTERS EMPLOYEES AT MONTREAL

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. Will Air Canada headquarters at Place Ville Marie at Montreal come under the jurisdiction of bill 22—The minister is having difficulty hearing because of the noise on the other side. Will Air Canada headquarters at Place Ville Marie at Montreal come under the jurisdiction of bill 22, making the working language at Air Canada headquarters French?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think both languages are used at Air Canada in Montreal and were used before Bill 22 applied.

Mr. McKenzie: My question to the minister was—

Mr. Speaker: Order, please.

Oral Questions

TRANSPORT

TOLLS ON ST. LAWRENCE SEAWAY—POSSIBILITY OF INCREASE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I have an urgent question for the Minister of Transport. I hope his answer will not be kept a secret from the Canadian people. Pursuant to the opening of navigation on the St. Lawrence Seaway, and in the interest of our Canadian trade and the economic industrial production of the heartland of Canada, can the minister assure the House there will be no further increase in tolls and shipping fees on this waterway now or in the foreseeable future?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I stated that we are revising the whole transportation policy. The seaway is part of this. There is the problem of refinancing with regard to the seaway. As the hon. member knows, the present debt of the seaway is approximately $800 million. Therefore, the cabinet will have to address itself to this question. I cannot indicate now what will be the decision of the cabinet.

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AGRICULTURE

DECLINE IN EXPORTS TO UNITED STATES—GOVERNMENT ACTION TO COUNTERACT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Given the fact that Canada's agricultural trade with the United States dropped by some $39 million last year over the previous year, and having regard to the fact that only a mere doubling of wheat sales avoided an overall decline in the exports of Canadian agricultural products, can the minister say whether any new initiatives are being considered by the government with regard to a more aggressive and effective marketing policy for Canada's agricultural products?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member will want me to put on record that our exports of agricultural products is one reason we did not have a deficit in our trade balance. Our trade with the United States is important. The Minister of Industry, Trade and Commerce spent some time in Cuba and is in Venezuela at the present time. The Prime Minister recently returned from Europe. Agricultural trade was discussed at all these meetings. We gained concessions in our cheddar cheese program with the common market. We are doing all that the hon. member has asked.

Mr. Speaker: Orders of the day.

Mr. Mazankowski: Mr. Speaker, the minister cannot get away with a frivolous answer like that.

Mr. Speaker: Order, please.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I hesitate to interrupt at this time, but I did direct a specific question to the Minister of Agriculture concerning our trade with the United States and a $39 million decline in our overall trade. I asked the minister specifically what steps he has taken in order to restore that trade with the United States, particularly in the beef industry. The minister avoided that question completely.

[Mr. Speaker.]

Mr. Sharp: Mr. Speaker, I rise on a point of order. I thought I should ask permission to return to motions later today in order to deal with the adjournment motion.

Mr. Speaker: With that indication, and anticipating what may take place in that regard if discussions are fruitful and some agreement develops out of those discussions, it will be my pleasure, as has been the customary practice on occasions of this sort, to receive hon. members later this day in Room 16.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree to this request. At the same time, I hope the minister will bring forward the motion to refer the Hermann report to the Standing Committee on Veterans Affairs.

Mr. Sharp: That is my intention, Mr. Speaker.

Mr. Baker (Grenville-Carleton): That is agreeable to us as well, Mr. Speaker.

Mr. Speaker: Orders of the day.

● (1530)

GOVERNMENT ORDERS

[*English*]

NORTHERN CANADA POWER COMMISSION ACT

AMENDMENTS TO CONSTITUTION AND POWERS OF COMMISSION

The House proceeded to the consideration of Bill C-13, to amend the Northern Canada Power Commission Act as reported from the Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker: Motions Nos. 1, 2, 3 and 5 appear to be acceptable on procedural grounds. Motion No. 4 would appear to introduce a new and substantive provision, not into the amending statute but into the legislation itself. Perhaps when the time arrives further discussion might take place as to its admissibility. In the meantime the Chair will proceed to put motion No. 1 standing in the name of the hon. member for the Yukon.

Mr. Erik Nielsen (Yukon) moved motion No. 1:

That Bill C-13, an Act to amend the Northern Canada Power Commission Act, be amended in Clause 1 by striking out lines 19 and 20 on page 1 and substituting the following therefor:

(2) Subsection 3(7) of the said Act is repealed and the following substituted therefor:

(7) A quorum shall not be properly constituted and shall not conduct business unless four days clear notice of the meeting has been given to each member of the Commission at his ordinary place of residence.

He said: Mr. Speaker, I hope this amendment will find acceptance. Perhaps upon reflection the minister might agree with me that consideration of the question of a quorum was omitted as a result of an oversight when the bill was drafted. Under the existing legislation the commission consists of three members and a quorum is two. The bill before us increases the number serving on the commission from three to five and omits the clause in the present act with respect to a quorum. We must therefore rely on a provision in the Interpretation Act which leaves us with a quorum of three.

When this bill passes the Board will consist of five members of whom two will be appointed, one from each of the territories, that is, from the Yukon and from the Northwest Territories. The other three will be government members. The practice could develop—I am not suggesting for a moment that it will be followed—of holding a meeting without any notice being given to either of the two territorial representatives on the commission. It would be a simple matter for the chairman to call the other two government members together and make decisions in the absence of the territorial members.

An hon. Member: In the absence of a quorum?

Mr. Nielsen: No. The quorum, under the terms of the Interpretation Act, is three. Once this bill goes through, the quorum being three out of five, there is a possibility that the commission could meet and reach decisions and that the members from the Yukon and the Northwest Territories would be left out entirely. My amendment proposes that—

A quorum shall not be properly constituted and shall not conduct business unless four days clear notice of the meeting has been given to each member of the Commission at his ordinary place of residence.

I have said "four days" in the amendment but I am certainly not wedded to four days. In the Yukon there is no problem. However, in the Northwest Territories, as I am sure the hon. member for the Northwest Territories (Mr. Firth) will agree if he is following the debate, an appointed member could live so far away from the place at which a meeting is to be held that it might take four days for a communication to reach him. As I say, I am not suggesting for a moment that the practice will develop under which these meetings will be confined to government members. However, the fact that the door is wide open for such an abuse adds weight to the argument in favour of the amendment I propose.

It might be asserted—and I say this in anticipation of what the minister might tell us in his reply—that there are really three territorial members on the board now because he has recently appointed the Commissioner of the Yukon as Chairman of the Board. But with all due respect to the Commissioner of the Yukon Territory, for some six years now he has been an employee of the government and, again with all due respect to the Commissioner, I might say he has learned very well how to take his instructions from time to time from the minister, and I am certain that this loyalty will follow him into his new position as Chairman of the Power Commission.

Again, with no disrespect to the Commissioner, I say he does have a civil servant's loyalty to the minister, as he should have; he will take instructions from the minister, as he should do, just as if he had been a career civil servant for the last 30 years. So I classify him as a government member of the commission, simon-pure. He, together with the two government members, will leave the territories in a minority position.

All I ask is an assurance that all the members of the commission, when its numbers have been extended to five, will be given notice of all the meetings to be held by the commission—a guarantee that the appointed members from each of the territories will attend and take part in the decision-making process. After all, it would be an empty gesture to expand the commission, purporting to include territorial input, and then be able so easily to subvert that laudable intention by having the commission hold its meetings with a quorum of three, as would be allowed under the Interpretation Act, without notifying the other two members of the Commission. This practice could be followed, and it is in order to avert such a danger that I am putting forward this amendment.

The minister could cut debate very short if he would indicate at the outset his intention to accept the amendment. It is one which would entail no expenditure from the public purse. It would cost the government nothing in the way of administrative expenditures, and it would endorse the stated intention of the government to involve the two territories in a meaningful way in the decision-making process. If the minister is about to arise to accept the amendment I will stop right now.

Mrs. Campagnolo: No way.

Mr. Nielsen: I do not see the hon. gentleman rising, and the parliamentary secretary to the minister says "no way". I find this rather a pity, because it means in essence that what I fear is exactly the case. The minister and his parliamentary secretary, who appear to be of a single mind, are in effect saying that this business of adding additional members from the Yukon and the Northwest Territories is mere window dressing.

● (1540)

If this amendment does not pass we are not going to destroy the feature of enabling the three government members to hold meetings by themselves and make decisions on their own without there being any input from the two appointed members. It is sheer hypocrisy and sham for the government to be taking such a posture and rejecting a reasonable amendment like this which would ensure that at least the opportunity is given to the two territorial appointees to participate in all commission decisions.

The amendment is not asking for a change in the quorum; it is not asking that the quorum be increased beyond three. It is not asking that the two territorial representatives must be present. All the amendment is asking is that the two territorial representatives, as well as the other members of the commission, be given notice of a meeting, and I cannot for the life of me see what the government finds unreasonable about this kind of amendment.

I see the minister is conferring with a colleague, and perhaps after a second, careful reading of the amendment he will find this reasonableness in its content. Perhaps it

will commend itself to the government and it will adopt it. Perhaps this conference has produced some fruitful result.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, might I make a couple of comments. There are two or three thoughts here. First, it seems to me that we would be imposing upon the commission what is basically a housekeeping matter that the commision should deal with itself. It seems to me—this is why I was checking with those individuals among our colleagues who possess more legal expertise than I—that there could not be a lawfully constituted meeting unless all members of the commission or board were notified. We are endeavouring to check that point.

The reason I have some apprehension about this is because of the suggestion from my colleague who has had some experience with Ontario Hydro, indicating that often when emergencies arise it would be impossible to give four days' clear notice in advance. For example, you might want to get the group together on a conference telephone in order to try to deal with an immediate problem and you do not want to be tied to a four day mandatory period.

There might be some other way of accomplishing the hon. member's objective by making it mandatory to notify all commission members of all meetings, which would seem to me the logical and natural thing to do. The only question is, what do you do in an emergency if you are locked into a four day time frame and, secondly, are we getting into a housekeeping matter that the commission itself should decide?

Mr. Nielsen: Mr. Speaker, a careful reading of the amendment will assure the minister and all hon. members that I am not at all tampering with the number of the quorum or the lawful constitution of any meeting. All I am suggesting in my amendment is that notice be given of any meeting to all commission members. I also said that I was not wedded to the four days. I only put four days in the amendment because my colleague from the Northwest Territories has a greater communications problem than we have in the Yukon. As far as the Yukon is concerned, 24 hours' notice means our man can get to Edmonton next day; but the situation is different in the Northwest Territories which has vastly greater communications problems than does the Yukon.

In the case of an emergency where a meeting has to be held in a hurry—the example cited by the minister—I am sure that as long as the territorial members were notified of a meeting that was about to be held, then at least the opportunity would be given to each individual member, if for some reason or other he was unable to get to the place of the meeting, which presumably would be in Edmonton, to give his views by telephone. There are some communities in the Northwest Territories without normal telephone services, but even they are able to communicate by means of Anik. In the Yukon territory there is no such problem: we have instant communication with the outside at all times.

I notice my colleague from the Northwest Territories is in his seat. As I say, I am not wedded to the four days; this is really a question of timing for him and the minister. We would be quite happy with 24 hours. Perhaps the hon. member for Northwest Territories might state his views and the minister could adopt what I feel is a very reasonable request of the government. This amendment including one member from each territory is not mere window dressing. It will ensure that they become meaningfully involved in the decision making process.

Mr. Buchanan: Mr. Speaker, while we are on the two northerners, I did omit to say something in my earlier comments. I feel that the hon. member for Yukon has not given adequate credit. He mentioned we have now moved from the situation that has existed up until recently where the Deputy Minister of Indian Affairs and Northern Development was also the Chairman of the Northern Canada Power Commission. We have moved away from this situation, and the chairman is now the Commissioner of the Yukon Territory. This is in line with trying to give northerners a more meaningful and significant say in matters bearing directly upon them and upon their well-being.

Coincidentally, I might mention at the same time that the position of Director of Panarctic Oils was also filled by the deputy minister. The Commissioner of the Northwest Territories now fills that post, again with the idea of giving northerners a more significant say, which is something to which I am committed. The commissioner is interested in the well-being of the north—

Mr. Nielsen: Mr. Speaker, forgive me for interrupting the minister, but I merely resumed my seat in order to permit him to make an interjection and perhaps to accede to my amendment. I do not want it thought for a moment that I am giving up my right to my full time in this debate.

The Acting Speaker (Mr. Penner): The Chair might point out to hon. members that we are not in committee of the whole. It is not the practice, at this stage of debate on a bill, when members are speaking to allow ministers to rise and interject. There is a proper way to proceed, which is for a member to make his speech and then for the minister to reply. In the interests of advancing the bill the Chair has been lenient, but I think the proper procedure should be recognized and followed.

Mr. Nielsen: Mr. Speaker, it has long been the practice of the House for a member who has the floor to take his seat in order to permit an interjection or question. This is what I was doing by way of courtesy to the minister, and if he wishes to continue to do so I would be happy to take my seat so long as it is understood that I can continue.

Mr. Buchanan: Mr. Speaker, I do not know whether some compromise could be reached here. As I was saying, I am concerned about an emergency situation. I do not think the four days is that crucial. We do not want to lock the commission into a situation where it is obligated to wait four days when it has a crisis on its hands. The hon. member might want to address his mind to that point and see whether he can insert a phrase into his amendment to cover that situation. I really do not have that much difficulty with the amendment.

Mr. Nielsen: I do have a suggestion in that regard. Again I do not know what my colleague, the hon. member for the Northwest Territories, would consider as a reasonable time, but the four days was inserted on his behalf and not on behalf of my party.

• (1550)

The suggestion I would make to the minister in connection with a crisis or an emergency, as he describes it, is that when such a situation does arise which requires a meeting to be held without notice to the members of the commission, then a subsequent meeting should be held to ratify the decisions made by the commission at the meeting of which notice was not given. That is the simple answer to that matter, Mr. Speaker.

Mr. Buchanan: Mr. Speaker, I think the 24 hours or something of that order would qualify in the manner suggested by the hon. member. If he would like to direct his mind to that perhaps we could stand this and move to the following motion.

Mr. Nielsen: Mr. Speaker, subject to what my colleague from the Northwest Territories has to say, I am quite happy to have my amendment amended, and I cannot do it myself but perhaps my colleague might, by deleting the words "four days" and substituting therefor "24 hours".

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to make a few comments on this amendment now before us. The power commission bill has been before the committee almost all winter and a lot of time has been spent on it, with a great deal of representation being made. Generally the idea, or the intent of the amendment put forward by the hon. member for the Yukon (Mr. Nielson) is good, but, like some aspects of the bill itself, I do not believe it goes far enough.

Keeping that in mind, I would not like to add any more restrictions or make the procedure more cumbersome by putting in regulations such as contained in this amendment. I think it would all depend on the individuals who are members of the commission. I can assure you that the people of the north who may be appointed would not stand for meetings being held without them being present, and you would hear their complaints loud and clear.

Mr. Nielsen: Supposing they were not notified?

Mr. Firth: I think this difficulty can be overcome by setting regular dates for meetings, perhaps the first Monday of every month, so that the date for meetings will be known. The regular meetings could be held at regular places. In addition, I think the amendment would be restrictive in the case of an emergency. Therefore I do not really believe we need this provision. I think it is just plain common sense and good practice to have members notified in time, and certainly the time of meetings would be known if they were held on a regular basis. With improved communications in the north you can get in touch with people within 24 hours. Personally I would not like to see too many restrictions, and for that reason I am not in favour of the amendment.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I wonder if I might speak to the amendment proposed by the hon. member for the Yukon (Mr. Nielsen), and my remarks are in response to what the hon. member for the Northwest Territories (Mr. Firth) has said.

As some members of the House may know, my family connections with the Yukon go back over 70 years, and I do have some awareness of the feelings of the people up there in respect of this type of sensitive issue. The sensitivity exists in that no matter what you do in respect of appointing a commission to represent the federal government in the territories, the people there still look at the members as hired men of the minister and of the government here. Whenever you have a situation in which it is possible that they are not invited they will assume they were not invited because they did not belong to that inner group the commission wanted attending the meeting. I think the minister would be well advised to give favourable consideration, as I know he has done, to this amendment proposed by the hon. member for the Yukon. This involves not only the matter of being above suspicion, but also of appearing to be above suspicion.

Knowing the sensitivity of northerners in respect of anything we do down here, there is always the assumption that it is a diminution or restriction by the federal government of their desire to have provincial status, I would not like to see more fuel added to the fire. I think we should avoid that. We can do so by a simple amendment that repeats what was in the original act, that a quorum should be so and so. I think we should put in what a quorum should consist of, and that there should be 24 hours notice. I do not think this would delay the calling of any emergency meeting.

I would conclude by stating that the election in Alberta today is being fought on a very similar issue. It goes back to the time the parliament of Canada in 1905 ratified the decision to establish the provinces of Alberta and Saskatchewan without giving the people there control over their resources. As a result we have alienation in these two provinces to this day. This would not have been the case if the parliament in 1905 had considered the people who lived in Alberta and Saskatchewan. The situation then is somewhat comparable to the situation that exists today in the north.

I just remind hon. members of this political fact when suggesting that we should not add fuel to the situation that already exists. These people have spent many years in the north waiting for development and the opportunity to form their own provincial government so they can administer their own resources, and the minister must be very careful. I would suggest that any amendment that takes away the suspicion in the minds of northerners that they are being dominated by the government here in Ottawa, or by the minister, would be a helpful amendment. Even though parliament can come back 25 or 30 years later and correct its mistakes, let us not make the mistakes in the first place if we can avoid doing so by a simple amendment now.

I think the minister's response to the hon. member is the correct one. I do not quarrel with the views of the hon. member for the Northwest Territories if you have the ordinary situation, but we are not dealing with the ordinary situation in the north. These people are as sensitive as cats at a certain season of the year, and you have to keep this fact in mind. I think the minister would save a lot of trouble for himself if he took measures now to prevent an inflamatory situation arising, or a situation that I know is always ready to be inflamed.

Northern Power Commission Act

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, I would be pleased to move:

That the motion be amended by deleting the words "four days" and that the words "twenty-four hours" be substituted therefor.

The amendment is being seconded by the hon. member for Skeena (Mrs. Campagnolo).

The Acting Speaker (Mr. Penner): If the hon. member will direct the motion to the Chair in writing it will be put. Is it the pleasure of the House to adopt the said amendment?

Some hon. Members: Agreed.

Amendment (Mr. Milne) agreed to.

The Acting Speaker (Mr. Penner): Is it the pleasure of the House to adopt the said motion as amended?

Motion No. 1 (Mr. Nielsen), as amended, agreed to.

● (1600)

Mr. Nielsen moved motion No. 2:

That Bill C-13, an act to amend the Northern Canada Power Commission Act, be amended by striking out Clause 3, lines 10 and 11 at page 2 and substituting the following therefor:

3. Subsection 6(2) of the said Act is repealed.

He said: Mr. Speaker, I am afraid this motion will be more controversial than the last one. The existing legislation limits the power of the commission with regard to entering into any contract, undertaking, or project for maintenance of repairs, construction and so on, to $50,000. If the commission should wish to enter into a project exceeding that sum then it must have the approval of the cabinet or the Governor in Council. By the amendment of the government—and I am speaking now of existing subsection 3 of section 6—subsection 2 with which I have no quarrel is removed, but subsection 3 is also removed and not replaced by anything.

This means in essence that the commission will not be required to seek and obtain approval of the Governor in Council in respect of any project, any construction, or anything it should decide to do. In other words, if this amendment should pass in its present form as contained in the bill, the commission could decide to embark in the Northwest Territories on the development of any hydro-electric scheme it so desired without the approval of anyone.

Having regard to the position taken by my colleague, the hon. member for the Northwest Territories, it would seem to me that this would be in opposition to the wishes of all the people in the Northwest Territories, and not merely the native organizations in that area. It would be in opposition to the wishes of the whole population, who are upset enough as it is now concerning the operations of the commission, particularly in the Mackenzie area. But that is what the amendment would do.

The amendment would give the commission carte blanche if it should proceed with the development of the Tulsequa Taku scheme which was investigated in the early 1950's by Montreal Engineering Ventures Limited and Quebec Metallurgical, a scheme which would envisage the expenditure of some $3 billion, and which would be comparable in terms of hydro-electric power generation to twice the existing production of the St. Lawrence Seaway project. What this amendment in the bill means is that the commission could, on its own, make a decision to go ahead with a project of this magnitude without a by-your-leave.

I would have liked to have seen parliamentary control at some level over the commission in respect of expenditures. However, not being able to anticipate that kind of control of expenditure, at least I would have liked to have seen that kind of control exercised by the cabinet. That, however, is not to be. The deletion of subsection 3 from the existing legislation removes any control whatsoever from the commission with regard to any project it wishes to undertake.

I realize the argument will be made immediately that it can operate only within its existing resources and that it would not have sufficient funds to embark upon this kind of scheme painted by way of example by me just now. But the fact is that the power is there. In reading this bill I wonder whether the cabinet committee that was responsible for considering the legislation even had in mind that this extensive power would be given to the commission. I think not. Dealing as the amendment does with such mundane items as maintenance, repairs, construction, excavation and so on, I believe these words perhaps lulled into a sense of false security the cabinet committee which had the responsibility to consider this legislation.

It may be that my reading of the amendment and its effect is incorrect, but subsection 3 of the existing legislation sets forth quite clearly that the commission shall not, with respect to any project, undertake or enter into any contract, other than for maintenance or repairs, for the construction, making, erection purchase or installation of any works, excavations undertakings, equipment or facilities, involving a total estimated expenditure exceeding $50,000 unless the undertaking of the project by the commission has been approved by the Governor in Council.

That is the way the section now reads. It was put in there, as explained in the debates of 1948 and 1956 when the act was originally passed and amended for the first time, for the specific purpose of cabinet having some kind of control over the activities of the commission. Now the government, by this amendment, wants to say in effect that the commission shall have, with respect to any project, the power to enter into any contract, the power to enter into any construction, and the power of making, erecting, purchasing or installing any work, any excavation, or any undertaking or any equipment or facility. That is the effect of the amendment in the bill. I do not think for a moment that any responsible cabinet, let alone parliament, would want to transfer that kind of wide and sweeping power to any agency of government without any parliamentary control.

It may be that parliamentary control exists in the fact that the commission must report to parliament through the minister. But what sort of control is that, because the financial operations of the commission are so altered by other amendments to this act that they permit it to compete actively on the money markets and raise any capital required in order to embark on any project?

It seems to me that we go far in excess of the limitations in respect of the parliament of Canada when we provide, by legislation such as this, for an agency of government,

this commission, to be treated in the same fashion as any Crown corporation by giving such wide and sweeping powers to it without any control.

● (1610)

It would be different if parliament had to be asked to approve estimates to keep this kind of commission operating, but even that is not the case. We do not exercise any control in the estimates because once the commission has the powers which will be extended to it—if the government's bill goes through as it stands now—there will be no need to make provisions for estimates for the operation of this commission. The decision making process is complete in the commission in whatever it wishes to do.

Speaking as a member interested in the welfare of Canada as a whole, that is not the kind of power parliament would want to pass to an agency of the government, but speaking now as a Yukoner I find it even more offensive because that clause opens the door wide to an agency of the government here in Ottawa to do exactly what it pleases. Apart from the input of the member from the Yukon on the commission there is no legislative control whatsoever. That control does not reside in the cabinet, unless of course this provision is revoked at some time, and if the commission gets out of line it is not required to refer any such project to either of the commissioners in council of the territories. I think such reference would be a very desirable control to impose upon the activities of the commission. It would also be a very desirable step toward meaningful consultation with the people of each of the territories.

Even if this amendment were to say that the commission shall not undertake this specified list of things which it is authorized to undertake in subsection 3 of section 6 now, and even if it were to say that it is not authorized to do that until it has consulted with the respective commissioners in council of the two territories—not again making their approval mandatory—it would perhaps mean something. But here we are not only abolishing the requirement of the commission to account to cabinet, and through cabinet to parliament; we are abolishing the requirement of the commission to account at all except by way of an annual return.

That to me, as a Yukoner, is an extremely undesirable state of affairs. It would appear that the hon. member for Northwest Territories takes an entirely different view of things. He does not seem to believe that people in the Northwest Territories have any interest in being involved in the decision making process. But then, of course, he has aligned himself with the socialist group in this House, and perhaps this degree of state control to him is desirable. It certainly is not desirable in my western neck of the woods.

I am sure that upon a closer analysis the minister will see the dangers which are inherent. Perhaps he will not. He used to see all sorts of dangers when he was a member of parliament, but now that he is a minister perhaps he has blinkers on, and perhaps with his new responsibilities he cannot see the dangers any longer. He certainly saw the reasonableness of the last amendment, and perhaps after hearing what I have to say he will see some scintilla of a danger in what this amendment in the bill proposes. Even though he is new at his duties, perhaps he is so fed up with the idea that he should have any responsibility for the Northern Canada Power Commission that this is a very easy and quick way to get rid of it. His first step in that direction has been a laudable one.

For quite some time we on this side of the House have been saying that the idea of having his deputy minister as the chairman of the commission was extremely repugnant and should be abandoned. He has done that now, but I must say that he has not moved very far away from the position which existed when his deputy was the commission chairman, because he substituted for his deputy in that position an individual who is not *qua* individual but a person whose position is such that he might as well still be the deputy minister.

The real solution will not be found until the commission is separated from the department entirely and becomes truly a Crown Corporation. Then perhaps there might be some justification for an amendment such as the one we now have before us. If the commission were a separate entity, such as Air Canada, the Canadian Broadcasting Corporation, or the one which has been lost in limbo somewhere, Polymer Corporation, neither fish nor fowl, not really a part of CDC, or at least not at the moment—maybe the government will be getting around to curing that situation one of these days—one might be able to see some justification in this amendment, but here where the commission theoretically is still responsible to parliament through the minister, it ill behooves the government to wipe out any responsibility of the commission to report to parliament through the minister with respect to its fiscal operations.

The cabinet should at least retain some control over decisions which would involve not only northerners but all Canadians, and which could involve them substantially in terms of expenditure of public funds. After all, that is what they are—when the commission incurs an indebtedness, it is in the long run the Canadian government which is responsible for it.

As it now stands the amendment would permit the commission to embark upon a James Bay project if it so desired, with no power in the cabinet to veto it, if this bill goes through in its present form.

Mr. Baker (Grenville-Carleton): You wouldn't want that, Judd.

Mr. Nielsen: Of course the minister could say that if the chairman of the commission and the two government appointed members did that, they would be fired. There is control there, but I do not believe that that is the kind of control parliament is entitled to, Mr. Speaker. Parliament is entitled to have the government, through the cabinet, account to the people of Canada for the activities of its agencies. This amendment would wipe all that out. The purpose of my amendment is to retain it.

It is my view that this $50,000 figure in the existing legislation is perhaps too small. Certainly in today's atmosphere of inflation not very much can be accomplished with $50,000. I would be quite amenable to having that figure raised substantially, to a quarter of a million dollars or even half a million dollars, to permit sufficient fiscal flexibility in the commission and to enable it to accomplish the task parliament expects it to do under the

legislation. But I do not believe it was the serious intention to wipe out any limitation. I will be extremely surprised if it is so. I cannot agree with wiping out any accountability or any control by government, or by cabinet, over the economic decisions of the commission.

● (1620)

As a responsible parliamentarian in the opposition I would have to oppose this vigorously. I am not usually one to argue that power should reside in the cabinet, but I am doing so now because I am frightened of the decisions that could be made by the commission on its own if the cabinet does not retain the control it now has under section 6(3). I would have to vote against the deletion of subsection (3) from the legislation for that reason. I hope that the minister would consider that feature of the bill in the light of the remarks I have made, and perhaps give favourable consideration to the retention of subsection (3). That is all that my amendment in motion No. 2 seeks to accomplish, to retain cabinet control over the financial decisions of the commission.

I am not wedded to the $50,000 figure. That could be increased in keeping with the desire to enable the commission to make decisions in today's economic over-all fabric without stultifying the responsibilities imposed on it under the legislation. I would urge that upon the minister for favourable consideration.

Mr. Firth: Mr. Speaker, the remarks just made by the hon. member for Yukon sound like a speech in favour of colonialism.

Some hon. Members: Hear, hear!

Mr. Firth: I am sure the Northwest Territories would not be in favour of his motion. We are asking for more autonomy, not more restrictions. I should therefore like to address my few remarks to this motion and say that I do not like it. I think the commission should have the right to generate and distribute electrical power for the people of the Northwest Territories, and I do not think the bill goes far enough. The hon. member for Yukon is correct in saying that I am in favour of a Crown corporation to perform this public service. I am therefore not in favour of his amendment, Mr. Speaker, as it is too cumbersome and places too much restriction on the commission.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to make a few remarks in rebutal of the remarks of the hon. member for the Northwest Territories (Mr. Firth), who accuses the hon. member for Yukon (Mr. Nielsen) of supporting colonialism. I am afraid his memory is somewhat faulty.

When this bill was before committee there was discussion on the question of autonomy for the Yukon and the Northwest Territories. It was pointed out to the minister and his officials that we would propose to increase the size of the commission to seven members, four of them to come from the northern territories. I suggest that the hon. member for the Northwest Territories was not at that meeting. The reluctance of the minister to allow us to make changes that would place the burden of responsibility for this important service in the Northwest Territories and the Yukon in the hands of northerners has given rise to suspicion. I want to defend my colleague from the Yukon.

Mrs. Campagnolo: He can defend himself.

Mr. Oberle: No, I want to say something in his favour, if you will allow me. He is under a lot of pressure on this matter and has had to take a lonely stand. He represents a constituency of some 207,000 square miles, and it is natural for him to be suspicious because the government and the Canadian people have not previously worried too much about those frozen plains up there. At times, and particularly during committee discussion of this subject, he did not receive much support from the other northern territory.

The hon. member said that he wanted four days for the transmission of telegrams and telephone calls and for travel when the two people from the north came down to meet with the commission. An interesting situation came up in committee and I should like to refer to it. I may be a little sarcastic, but it shows why northerners are suspicious.

There was one person who represented municipalities in the Yukon and the northern territories, and there were others who represented chambers of commerce and other concerned citizens. At one time a telex was presented to the committee which stated that Yukon municipalities were upset by a certain clause in the bill. At the next meeting of the committee one of the members in the party opposite asked an official of the power commission if he had confirmed the validity of the telex. Mr. Speaker, I want you to listen to this carefully. We had a telegram from someone in the Yukon stating that he represented municipalities in that territory and, because a member of the government requested it, it was necessary to confirm the validity of the telegram by phoning the people he claimed to represent.

Mrs. Campagnolo: What did he say?

Mr. Oberle: If the hon. member wants me to I will gladly read into the record what she said. However, I am a gentleman and I will not do it.

It is for the reason that I have just outlined that northerners are suspicious, Mr. Speaker. If northerners were as suspicious as southerners, then as soon as a member of the power commission received a telegram or a phone call, he would have to find out if the document or call was valid. Not until he had done this could he make an arrangement to travel to the head office in Edmonton. It is not a foregone conclusion that such person would live in Whitehorse or Dawson City, where there are air connections.

Of course northerners are suspicious. They know that if the minister wanted to create an emergency situation—this has been done but I know the present minister would not do it—but if he wanted to he could call the commission together and the northern members could not get to the meeting. Decisions could then be made in their absence, and the northerners would have even less control than they have now.

● (1630)

I agree with my colleague on another point. We discussed the $50,000 limit in committee and agreed that it is too low. The replacement of a few telephone poles, or a machinery bearing in a power unit, could easily eat up that $50,000. As my colleague said, we do not oppose increasing that amount.

Although we want the commission to be given adequate powers, we are concerned because, apparently, neither parliament nor the cabinet will be empowered to keep a close eye on the commission, which is not a Crown corporation. I think the situation is unique and this departure represents a colonial type of administrative policy. My colleague was quite right. The people of the Yukon Territory and the Northwest Territories exercise little enough power as it is over their own affairs. Parliament is the only tribunal in which the elected representatives of the people of the Northwest Territories and the Yukon can be heard. Is it not strange that only one member represents the Yukon, an area encompassing 207,000 square miles and containing a population of 20,000, and another hon. member represents the Northwest Territories, an area ten times larger?

These northern parts are the resource storehouse of our country. The people of the north are involved too little in governing their own part of this country. We do not serve the interests of Canadians if we take from the people of the north some of their already limited powers, some of their remaining rights. One hears talk about development in the Mackenzie Valley, about the development of northern resources. The north is our storehouse. Resource development in the Yukon and Northwest Territories will increase in the future. We must protect the rights of the people of the area and their interests. We are not doing this adequately.

Personally, I should prefer to see the number of commission members increased to seven, although we are prepared to accept the number suggested. We think more northerners should serve on the commission and be involved in the government of the north.

In addition, Mr. Speaker, we insist that parliament, or the cabinet, should exercise control over the actions of civil servants or appointees, in some cases political appointees, who will make serious, far-reaching and all encompassing decisions about the provision of energy and power to the peoples of the Northwest Territories and the Yukon.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I intend to make some brief remarks on the motion before the House. I had the opportunity of attending the committee meetings when Northern Canada Power Commission representatives appeared before the committee with representatives of the government. The committee was told that the purposes of the bill were twofold. First, the number of commission members is to be increased from three to five. We agreed with this proposal, although we would have preferred the number of commissioners to be increased to seven. Second, there is to be a change in the rate zones. We agreed with this proposal, although we have some reservations about how the rate zone changes will be administered. We understood that the balance of the amendments were simple, house-keeping amendments. However, having examined the particular clause with which we are now dealing, it strikes me that we were taken.

The limit of $50,000 included in the original legislation is to be removed and the commission is to be given unlimited power to incur expenditures for maintenance and capital projects. I suggest that this is wrong. There must be some control. At present, good people are serving on the commission. All the same, there must be some limitation to their powers. The hon. member for Yukon (Mr. Nielsen) said he would be agreeable to increasing the amount from $50,000 to $250,000. I agree. In this day and age, $50,000 will buy little enough. It is only fair to increase the amount, provided there is some limitation. Also, the commission should be responsible to the Governor in Council or to parliament.

I urge the minister to consider amending subsection 6(3). I want the limitation contained in the subsection to remain, but I want the amount of $50,000 mentioned to be increased to some higher figure. That would be only fair and would leave control vested in the Governor in Council. We, on my side of the House, cannot move such an amendment, for technical reasons. Our previous attempts in this regard were outflanked. For that reason I urge the minister to consider moving an amendment of which most members on my side of the House approve.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I find myself in an unusual position, opposing the motion of the hon. member for Yukon (Mr. Nielsen). I oppose suggested amendments to the bill before us, on two grounds. They relate to our reasons for representing our people as members of parliament. We must ask two questions. First, how much control should parliament maintain over the running of the affairs of this country? Second, how can we expedite the transfer of powers by which people of the Northwest Territories and the Yukon can control their own affairs?

In my view the amendments proposed by the hon. member for Yukon avoid the economic issue. Apparently the hon. member prefers to let the Governor in Council retain economic control over the affairs of the Northern Canada Power Commission. I say that in considering this we should consider fundamentals.

The first question we must consider is the extent to which this House, or this government, controls Crown agencies. Federal governments of the day have established 59 Crown agencies and Crown corporations. These agencies and corporations are given delegated powers and are empowered to carry out certain functions. These bodies have been established in such a way that parliament finds it difficult to control the powers, delegated and otherwise, given to them. The result is that when ministers have attempted to tell the truth in this House, they have been destroyed. I cite what has happened to the Minister of Transport (Mr. Marchand).

Despite warnings by members on my side of the House, parliament in 1967 delegated complete powers over transportation to an independent commission known as the Canadian Transport Commission.

Mr. Nielsen: Of which Jack Pickersgill was the first chairman.

Mr. Hamilton (Qu'Appelle-Moose Mountain): When the minister said in this House last year that he had no control over the Canadian Transport Commission, he was telling the truth. When he said there was a mess, he was telling the truth. Over the past year I sat in this House and watched my colleagues on this side attack the minister because he had no power. That is the fault. Parliament took away the power of the minister to control transportation in the National Transportation Act of 1967. Here we are doing the same thing. We have a new minister whom we are putting up on the wall, ready to pluck, because he will have no power when he is finished.

● (1640)

This is a matter of great seriousness. This whole tendency to turn the power of the legislative body over to independent boards does not have to be stopped. That is not the way to do it. It has to be made more sophisticated so that we can give them the authority we want them to have without interfering with their efficiency and, at the same time, maintain our democratic control as representatives of the people over the actions of those independent boards.

There are sophisticated ways of doing this. We have the precedents of the province of Saskatchewan and the government of Australia. All governments have this problem. In 1967 a motion was moved by the hon. member for Peace River (Mr. Baldwin), seconded by myself, pleading with the government of that day to not take away the control of parliament over the Canadian Transport Commission. The government, with the support of the NDP, turned down our amendment. The acting leader of the NDP at that time was a man called David Lewis. He held the view that parliament was not competent to deal with the details of transportation and that we should turn the power over to an independent board, leaving it completely independent of Parliament. That was the way to get efficiency in the modern state.

The point is that we do not have Superman or God to head these boards and agencies. We have ordinary mortals. We have had Mr. Pickersgill and Mr. Benson. The others will be the same. These men make mistakes. They know as much about transportation as most of us, which is as about as close to zero as you can get.

When this power is turned over to them with no way of checking by parliament, parliament gets the blast from the people when the failures and the mess occur. All parliament can do is throw the mess back at the minister, who is condemned in this House because he says there is a mess. He is an honest minister. He says there is nothing he can do about it because of the power of the Canadian Transport Commission.

I am not here to defend the Minister of Transport. I use this only as an example. I could say the same about the minister in charge of the Canadian Wheat Board, the minister who reports for the Canadian Broadcasting Corporation, or the minister who reports on northern transportation. I could do it for every one of the 59 agencies and boards to which we have turned over this power. We have destroyed a little more of the democratic power that should rest with the people.

[Mr. Nielsen.]

There is a democratic and sophisticated way to maintain the correct amount of power needed to touch base and control these delegated powers. It is not yet the law of this land, but please God it will be before too long. I say to the minister that the minute you set up these amendments, you turn over the power of running the power operations of the north to an independent body. No matter how much you respect the chairman and the members of that power commission who will be appointed, the fact is that they are not God. There has to be a check by some democratic body over their actions or we will continue the mistakes we have making for the past 25 years.

On the broad general principle of the control of independent boards and commissions by a representative body, I think that this amendment moved by the government striking out 6(2) and (3) is completely undemocratic. It is completely against the interest of the people of the Yukon and Northwest Territories. It is certainly repeating the same mistake that has been made for the past 25 years.

I now come to my second point. This is what I am appalled by with respect to the hon. member for Yukon. For all the years I have known him he has fought, as a tiger has fought, to try to get more control into the hands of the legislatures of the Yukon and Northwest Territories. Yet here he is asking us to retain power in the hands of the Governor in Council, in the hands of the cabinet. I cannot understand that. What he is really trying to do is head off the dangers of one thing to get us back into the dangers of another.

I suggest to the minister a very simple amendment that will solve most of my problems and, I am sure, the problems of the hon. member for Yukon and the hon. member for Northwest Territories (Mr. Firth). I simply suggest that we leave in subsection 6(3) and change one phrase. That phrase is that the Governor in Council is the executive of the territorial legislature. That is all. In this way we would at least have some people with some democratic control over this independent board.

We know from practice that this is not going to put a great economic load on the Government of Canada. We know as a fact that the operations of this power commission are paid for by the people who pay the rates, and why shouldn't they? Through their elected representatives, and appointed representatives in the legislatures in the territories, they have the right to make this independent board touch base with them. This would meet the proposition of trying to get the authority out of the hands of politicians and into the hands of an independent board to make bigger decisions, but leaving a sophisticated way for them to touch base with the democratically elected authorities. I believe that would meet the position of the hon. member for Yukon.

Mr. Nielsen: We'll never get it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The hon. member says we will never get it. We have a new Minister of Indian Affairs and Northern Development (Mr. Buchanan). He wants to avoid the mistakes of other ministers who turned over their powers to independent boards and then had to accept all the blame for their actions.

I suggest we can do two things with one stroke. I suggest that we leave subsection (3) in the act and simply

put in the words "the executive council of the respective legislatures of the territories". If we did that, we would have economic control. You just have to touch base with the executive committees of the legislatures. You would keep your hand on them to that degree without interfering with their efficiency. I do not apologize for taking the time of the House because this is a very important question of principle.

I now want to discuss subsection 6(2). Once again I am horrified at the thought that this should be taken out. With all the publicity, squealing, yelling and uproar we have had over James Bay, the MacKenzie Valley pipeline, and the development of the Churchill River in Manitoba, where in each case independent bodies have moved without considering the whole picture, I thought the government would have started to learn. What am I talking about? Subsection 6(2) is one of the great defences the people have over the use of water in Canada. It ensures that water is not abused, spoiled or misused by anybody. I am referring to the powers of the Dominion Water Power Act.

Every province has a water act. We would not expect the British Columbia Hydro Corporation, an independent Crown corporation in B.C., to dam a river as it saw fit just to generate power. It has to go before a water licensing board in the province and get the authority, and this means considering the interests of all the people who use the water of that river.

● (1650)

Here we are dealing with one of the oldest rights in the history of man. The history of the law concerning water use goes back beyond 2,000 years. These ancient riparian laws never fail to provide for the protection of all those who live on the banks of a river. Yet here is an infringement of one of the oldest laws in history, a law going back more than 2,000 years before Christ, observed in the Middle East, brought to Europe and codified first in Roman law and then in Frankish law. Yet today parliament is being asked to throw out water legislation and transfer authority to those who are interested only in the power which can be generated from river flows.

One does not abandon these controls simply to make one aspect of our lives more efficient. After all, they are designed to protect the public interest. Until this parliament can put a territorial water act in place which makes it necessary for every commercial enterprise, whether owned by a private company or a Crown corporation, to go before a board and ask for a licence to use water, I think we should hang on to every shred of control we have over power corporations.

Power corporations in every province over and over again have forgotten the interests of the people on the banks of the rivers they utilize. A power man tends to think only in terms of power while ignoring all the other uses—recreation, flood control, timber production, the whole ecology of the region—as well as less material aspects. Such considerations do not enter the mind of a power man. He only wants to know how cheaply he can build a dam to get the amount of power out of a river that he requires. After all, that is all he is supposed to do. I wonder how many hon. members have seen the logs floating on Lake Bennett.

I think every member of the House should be ashamed to support this type of amendment, an amendment which asks parliament to get rid of one of the control mechanisms used to safeguard the rivers of the Northwest Territories and of the Yukon.

I hope the minister will reconsider the clause in this bill which says that these subsections (2) and (3) of the act should be repealed. I suggest we leave them as they are until the territorial governments can enact their own legislation to protect water rights in the territories. I suggest that in 6(3) the minister simply put in the words "executive committee of the respective territorial governments" by way of amendment. This would achieve what the hon. member for the Yukon and what the hon. member for the Northwest Territories are seeking to do. At the same time such a decision would be in harmony with a principle which I believe every hon. member supports, namely, that parliament should not be reduced to nothing, that we should possess some means of controlling these corporations while, at the same time, giving a little more authority to the people who live in the territories concerned.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with great interest to the eloquence and the wisdom of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). If I can do anything in the time available to me now I should like to support the suggestion he made with respect to where the residual influence ought to lie in the area covered by this amendment, namely, that it should rest with territorial governments.

I share the concern expressed by my hon. friend. It is one which is felt by a great many members of parliament, as well as by those who are observers of the parliamentary process with respect to a process which is taking place to a greater and greater extent. To anyone who shares the conviction that there is an innate wisdom in our parliamentary system, the proliferation of commissions, boards and agencies which are independent of parliament must be a matter for great regret. I do not speak this afternoon in any partisan way; I do not think this aspect of the bill is a partisan matter. It is a parliamentary matter.

The hon. member for Peace River (Mr. Baldwin), the hon. member for Winnipeg North Centre (Mr. Knowles), and the right hon. member for Prince Albert (Mr. Diefenbaker) whose anniversary we celebrate today, have devoted a great part of their lives to the preservation and enhancement of parliament. If there is anything which is unique with respect to the parliamentary system, apart from the whole issue of responsible government, it is the authority parliament ought to exercise over decisions affecting the people of the country.

Every time the House moves to satisfy the appetite of efficiency, every time it sets aside its rights to control, the parliamentary system suffers. A few moments ago the hon. member for Qu'Appelle-Moose Mountain drew attention to the difficulty this can create for ministers. One of those ministers is in the House today.

Every time a minister has to get up and say parliament saw fit to give this responsibility to such and such a

committee or commission he is confessing that he, as a minister, as a member of the cabinet, who is supposed to be responsible to parliament and hence to the people, has in fact no such control or authority. Each time this occurs the parliamentary process suffers. We saw an instance of this today, following another example yesterday of the problem parliament encounters in terms of control over public funds—control over the estimates. There was an admission by a minister of the Crown that the estimates which come before parliament may not be true, at least in terms of dealing with the objectives of different expenditures. Yet this is all part of the process of examining estimates, the process of examining the programs which are undertaken.

● (1700)

For the first time a minister of the Crown yesterday indicated that some of the estimates are wrong. This was done in the interests of national security, and I think that is a legitimate interest for this parliament to be concerned with, Mr. Speaker.

However, the system suffers as a result of failure to disclose, and I am happy that at least some movement has been made by the Minister of Science and Technology (Mr. Drury) to afford an opportunity of some kind—not perhaps the kind he spoke of on the floor of the House, but at least of some kind—to review those estimates. I think there was in that the recognition that albeit national security is important there must be weighed against that the importance of parliament knowing, parliament disclosing, and parliament dealing with the affairs of people, rather than have such matters hived off somewhere where no one could reach them even through the estimates.

The amendment we are dealing with expresses more than anything else the concern of many members of this institution, regardless from what party they come, that gradually and surely our powers as members of parliament are being eroded, and that parliament itself is suffering.

The present House leader of the government deserves a tremendous amount of credit for taking up the cudgels in regard to the return to this chamber of consideration of the estimates. This has been argued for by many parliamentarians over the years. Just recently we have approved a system that will give this parliament for the first time a new kind of look into the estimates. This is a temporary arrangement, but I hope it will be the beginning of some new procedure.

I think it is in that direction that all statute law ought to turn. It is in the direction of the strengthening of parliament that the attention of the government ought to be turned so as to make the institution of parliament truly representative of the people. Then members of parliament, as representatives of the people, will have the opportunity to deal in this place with the operations of government in every department.

I think the proposal of the government in regard to this particular bill does not do this, and basically that is the concern of the hon. member for Yukon (Mr. Nielsen) as well as of the hon. member for Qu'Appelle-Moose Mountain. It should be the concern of all of us that when we are tempted from time to time to answer problems in a sophisticated society by forming another board or commission, instead of leaving them within the parliamentary process, we should resist that temptation. This is an opportunity for this chamber to resist a similar temptation.

[Mr. Baker (Grenville-Carleton).]

Mr. Sharp: Mr. Speaker, earlier this day I undertook to the hon. member for Winnipeg North Centre (Mr. Knowles) to introduce a motion to refer the Hermann commission report to the committee on veterans affairs. I therefore ask permission of the House to revert to motions.

Mr. Deputy Speaker: Is it agreed that the House revert to motions?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

REFERENCE OF REPORT TO STANDING COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the report to the Minister of Veterans Affairs on Canadians who were prisoners of war in Europe during World War II by Douglas Hermann, M.D. be referred to the Standing Committee on Veterans Affairs.

Motion agreed to.

Mr. Sharp: Mr. Speaker, while we are still on motions, I should like to call the motion standing in my name regarding the adjournment of the House.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

EASTER RECESS

Hon. Mitchell Sharp (President of the Privy Council) moved:

That when the House adjourns on Wednesday, March 26, 1975, it shall stand adjourned until Monday, April 7, 1975, provided that at any time prior to that date, if it appears to the satisfaction of Mr. Speaker, after consultation with the Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

Mr. Deputy Speaker: Does the House agree to adopt the motion?

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, I had hoped that I would not be on my feet for this debate, which is normally one that all members hope will be

relatively brief. Indeed, I hope it will not be a debate, but I feel it necessary to speak on this proposition to adjourn because I think the members of this House are owed an explanation by the Solicitor General (Mr. Allmand) regarding a matter that I raised yesterday afternoon and which he indicated at that time he would reply to, in his own words, as quickly as possible.

Instead of the appearance of the minister this afternoon in response to the document that I had asked to be tabled and to explain the interrogation techniques of the RCMP, we had a press release from the RCMP. The minister did not even come to the House or arrange through another minister, one acting in his stead, to offer an explanation for the highly derogatory, superficial, and I would say silly document presently in use by the RCMP.

This is not the first time that there has been, instead of a statement or some clarification by the minister in the House, the issuance, in this case late this afternoon, of a press release by the RCMP, which is an attempt to make some kind of self-serving explanation of the exact nature of the document about which I raised a question in the House yesterday, and to which I asked the minister to respond today.

In the explanation the RCMP does not try to deny the existence of this document. Indeed, it would be foolish in the extreme to deny that it exists. As I indicated yesterday, I already have coming to Ottawa a copy of an affidavit indicating the existence of this document and its current use by the RCMP. It is shocking that the minister should feel, for reasons that have not yet been explained by any government representative, that he should not come clean with this House and with the general public.

I know, from the reaction that I have had during the last 24 hours, that there is a considerable amount of shock among people generally not only at the techniques I mentioned yesterday in just a descriptive sense which are being practised, but also at the fact that they are included in a document issued by the RCMP entitled "Interrogation Techniques", by Chief Inspector A. R. Roberts of the Calgary City Police. This document is presently in use and is authorized, according to the frontispiece, for use in the training and development branch, headquarters, Ottawa.

It might be interesting for members of the House to hear some parts of this document so as to give members an idea of the current level of instruction which, according to the press release made late this afternoon by the RCMP, is part of a course that is offered senior investigators with between five and 15 years of experience.

This is not a document that is used in some introductory sense for students who are training at the main RCMP training centre in Regina but, as confirmed by the RCMP themselves late this afternoon, a document in use by senior investigators. We are not talking here about some peripheral document of which some individuals may be aware; we are talking about a document that is accepted in current practice by the more important investigators in the Royal Canadian Mounted Police.

If that be the case, then it is absolutely unacceptable that this House should be asked to adjourn this afternoon for a period of some 10 days to two weeks without being given a proper explanation by the Solicitor General of the basis on which this kind of document has been authorized and accepted for use.

● (1710)

I hope that before we come to the hour of adjournment either the government House leader or the minister who responds on behalf of the Solicitor General will be able to offer a satisfactory explanation to this House and the Canadian people. If that does not happen I for one will be most reluctant to see this House adjourn today. I would want to have an opportunity for the minister to come to this House tomorrow, or at the earliest possible moment, to indicate, first of all, how any justification can be given for this most illiberal document to be used as a regular training manual for the RCMP, and whether he in fact is aware of it. It would seem clear from his short answer yesterday that he was not aware of it, and I would hope that during the time that has elapsed he has had an opportunity to study it and is now taking action to withdraw it and replace it with one that is acceptable to the Canadian people as being just and fair.

Members may wonder at the kind of document this is, and I am going to take a few minutes to give hon. members an idea of what is in the context of it, and I am sure the House will be most tolerant and interested to know . . .

Some hon. Members: Order!

Mr. Deputy Speaker: Order, please. I would hope the hon. member will not open a full debate on the subject matter he is raising. Actually what is before the House at this time is a motion to adjourn for a definite period of time, and I do not think I can really allow the hon. member to take this opportunity to debate the basis of the point he is trying to make, or points relating to his complaint about answers or the fact that he did not receive answers from the Solicitor General (Mr. Allmand) or the government.

Mr. MacDonald (Egmont): Mr. Speaker, this is not, as I hope to clarify, just a question of asking for information. This is a question that involves the basic protection of civil rights in this country and the methods being participated in at the moment by the national police force of this country, the RCMP. If in fact any individual member could feel that it is fair or is justified to his constituents that we press for an early adjournment before we have this matter sensibly resolved and settled, I for one would be most willing to hear from him.

An hon. Member: Sit down.

Mr. MacDonald (Egmont): Mr. Speaker, if hon. members want to interrupt it will just take me longer to get through the material I want to present to the House as an argument against adjourning until such time as either the government House leader or the Solicitor General, or a spokesman on their behalf, clarifies this situation.

I do not like to stand during this period which is normally the pro forma ritual of adjourning the House. Knowing the Solicitor General and respecting him as I do, I had felt from the outset that he would be more than willing to resolve this matter immediately. Since the document is available, and not in some far outpost but here in

the city of Ottawa, in present use by N Division, this is not a matter that will take some days to resolve, but in fact a matter that could have been resolved in hours yesterday.

Instead of the appearance in the House this afternoon by the minister we have had, as I said, a self-serving press release a few minutes ago by the RCMP. It not only does not explain this remarkable document, it in fact makes it more urgent that a government spokesman clarify and remove what I can only describe as a basic infringement on the basic civil liberties of the population of this country.

As I said a moment ago, there are two or three examples I want to give because I think members on all sides of the House would be most anxious to know just what kind of document is presently being used as a training manual for senior officers in the RCMP. Let me quote first from page 2. It states:

The techniques outlined hereunder do employ a battery of "hsi nao" (brainwashing) techniques to influence the emotional attitudes of the subject or suspect—

That is one word that I have never run into before. The document then goes on to say, and I will read the whole quotation because I want it in context:

Certainly, to begin with, in any interrogation we are going to do everything that is legal and right. We will attempt to get a confession that is free and voluntary and that may be admissible in court and will stand the test of cross-examination. We will employ no tricks which could be considered as illegal tactics.

But, there is a point which is reached in every interrogation when you still may not have that statement and you know if you go any further in the specific technique that you are employing that your statement will be ruled inadmissible. It is at this point that the interrogator must make a decision: does he now leave the interrogation room without the statement or does he now proceed with other techniques which he knows will not allow the statement in, but may give him information which will lead to the securing of other evidence which, he thinks, may be admissible. I suggest that, at this point, the Marquis of Queensbury Rules go out the window and the interrogator must open up his bag of tricks and go for the recovery of the weapon or the stolen property or the names of accomplices or any evidence which may be placed in court, regardless of the method employed to secure that evidence.

If any member of this House can justify that as acceptable and authorized police procedure in this country, I do hope he will stand and indicate that position.

I want to go on and quote two or three sections that refer to interrogation in respect of sexual offences or suspected sex offenders. The interrogator is urged to say as follows:

Don't think for one moment that you are the only one that has had these thoughts. We just simply haven't the guts to do anything about it. Girls are the same way. You don't mean to tell me that they are not thinking of it when they see a good looking fellow on the street. It is just human nature, that's all, and anyway, this broad was probably asking for it.

That is one kind of questioning that is recommended. Another kind which is headed "Technique No. V: Blame the Victim or Employer Technique" includes this suggested wording for the interrogator:

They are just asking for it, and in your case with your old lady hot on your neck, you can't get anything at home. I don't blame you. Hell, when I spoke to this girl, she even sort of looked like a prostitute to me. You just can't tell nowadays about these women . . .

Hell, even I had ideas when I was talking to her. She's just that type that would give anybody ideas.

[Mr. MacDonald (Egmont).]

Mr. Knowles (Winnipeg North Centre): Is that a quotation?

Mr. MacDonald (Egmont): That is a quotation from technique No. V. I thought my hon. friend might—

An hon. Member: It is gross.

Mr. MacDonald (Egmont): It is gross, and it gets more gross. Let me refer to technique No. IX which is headed "Face-Saving or Justification Technique". It states:

There is no doubt in my mind that she was asking for it though. Nine times out of ten, they are to blame.

Again I would ask, Mr. Speaker, if this is the kind of acceptable procedure we are permitting and expecting to be used by the RCMP in interrogations across this country? Not only is it filled with that kind of sexist slander, the document is full of stereotyping as well. Let me give you an example of the stereotyping in this document. It states:

Short and fat physique: These people are usually the happy type. Eat, drink and be merry. When interrogating this type, humour them . . .

Tall and slender: These types are usually withdrawn and introverted. They are the thinkers, poets and writers. They may be withdrawn and the interrogator must attempt to pull them out by appealing to their intellect. The interrogator must train himself to take advantage of every facet of human nature.

If the Solicitor General had been here I would have asked him about this next quotation, because I think he himself may be in jeopardy if he is ever interrogated by the RCMP. The quotation is as follows:

If we think for a moment how many small men have become dictators: Napoleon, Mussolini, Hitler, Stalin. All were men of relatively small stature. Think back to your days on the beat. It was always the little guy who caused the trouble and started the fight.

I should think the Solicitor General should look at that part very seriously because he certainly would not be in very good order if he were interrogated by one of these officers trained with the use of this manual.

I would like to have thought that some professions had been excluded in terms of stereotyping, but let me quote from technique No. XI under the heading "Suggestibility Technique":

● (1720)

Ministers and politicians have long used the power of suggestions to their audiences. John Wesley, the great evangelist, used the power of suggestions to convert people to your faith. Adolf Hitler used the power of suggestions, accompanied by music and crowds, to gain popular support. Today, the great evangelist, Billy Graham, uses props, one of them being the Bible in his right hand, as he speaks in a great emotional voice to you, his audience, and suggests that they come to Christ and be forgiven.

Then it goes on to say:

This technique is adapted from the brain-washing or religious technique.

Here we have an elaborate description of what is known as "The Heaven and Hell Technique." I continue the quotation:

In this approach, we let the subject have a look at hell, but also offer him heaven in exchange or as an alternative . . .

Certainly, a man who is guilty of the crime will grab at the alternative, which of course, is heaven. In the brainwashing technique, the subject is interrogated at all hours, day or night, he has been kept in

isolation and has had most of his clothes taken away from him. He is dressed in a sloppy pair of coveralls. He does not use his own shoes but instead is given a pair of shoes too large for him so that they slop about. There are no shoe laces in the shoe. He has no belt to hold up his pants. In the brainwashing technique, this is an assault on his dignity. By the very fact of his being stripped of his own clothing, it is an assault upon his own identity. He now feels forsaken and forgotten due to the lack of familiar surroundings, and the refusal by his custodians to allow him any contact with his loved ones or friends.

The author, I believe for a third time, repeats:

He feels completely forsaken and forgotten and is at the lowest depths of despair. It is at this state the interrogator offers him a glimpse of heaven or a reward in the way of a cigarette, coffee, more comfortable quarters and an offer to speak to his loved ones or friends, or at least another prisoner. The isolation is taken away. As one can readily see, in this technique, the subject has something to gain on the one hand, and everything to lose on the other.

There are many quotations here which make this such an outstanding and disturbing document. If it were possible, and I know this is not possible for a private member to do, I would table the document so that it would be available to all hon. members to read so that they would become aware of its contents. Then I think members would begin to obtain some glimpse of the attitudes, concepts and methods that are being taught, as the RCMP said this afternoon, to senior investigators who have between five and 15 years of services.

We are not dealing with something to which students are exposed simply on a first-time basis but rather with a training document in the RCMP to be used by people who are providing leadership in investigations and a whole host of interrogation procedures across the country. We are not dealing with an isolated instance or something that is on the periphery, as I hoped the minister would have been able to tell us this afternoon. I hope members realize that this document definitely is harmful to the respect normally held for the RCMP in this country.

It would seem to me that if hon. members on any side of this House were to willingly allow this House to adjourn and allow the substance of this document to stand without refutation by the Solicitor General, this would be doing very great harm to the country and the importance of the RCMP in this country. I believe, because I have many friends presently serving as RCMP officers, that members of the RCMP also would not want the House to adjourn without some kind of clarifying statement being made on this subject. Certainly the statement by the RCMP this afternoon is no clarification in this regard.

I think perhaps the most reprehensible part of the document is the attitude it displays toward women. It is perhaps a cruel irony that in 1975, when there are so many gestures, symbolic or otherwise, toward the equality of women in this country, the RCMP should use a document which does much to degrade the status of women in this country. I should like to read one more example. I cannot interpret the Roman numerals, but it appears on page 33 and is headed "Interrogation of Families". It states:

Find out whether the woman has children. After this has been discovered, praise the child. Tell her how good looking the child is. Tell her it looks like her. Speak of her love for the child. Reiterate that the prime function in life is to reproduce; that is what God placed her on earth for. It makes no difference whether or not the women we are speaking to are prostitutes or ordinary thieves employed by a bank. Women are emotional and an emotional approach is the best approach to use on women. We use the emotion of love, jealously and fear. Love for her child, love for her parents. Jealously of the husband or boyfriend. How he will be enjoying himself if she goes to jail. Fear of jail. The cotton dresses that they wear in jail made out of jute cloth, and sloppy shoes. She is no longer an individual, but is classed as a unit. We then slip into the 'Heaven and Hell' technique.

The irony of ironies is that not only is this document sick and shabby, it is also ultimately contradictory because in the final four lines of this document the author writes as follows:

We, as police officers, must constantly remind ourselves that we are servants of the public and not its minister, and we must never overstep the boundaries pertaining to the human dignity of man.

How anyone in his right mind could accept that document would have to be explained to me over a very long period of time. As I said a few moments ago, it would be impossible for me to consider accepting the adjournment motion of the government House leader unless we have some explanation. I sat here dutifully today because I had been informed that the minister would make a statement and that there would be some remarks from him clarifying, removing and, if necessary, applying discipline to those who could have given such misdirection to the training of senior officers in the RCMP. Instead we are faced with the absence of the Solicitor General without explanation, in addition to which late this afternoon, and I think in defiance not only of the rights of parliament which are important but of the rights of the people to have a clear exoneration of the RCMP in this regard, there is no action on the part of the government to deal with this matter in the House. All we have is this press release by the RCMP.

If hon. members have any idea that this clarifies the situation in respect of the RCMP and its training procedures and interrogation techniques, let me quote a part of this press release so that members will know that the RCMP has in no way solved this problem but has exacerbated it.

The following is a United Press press release under the byline of Claude Henault:

The Royal Canadian Mounted Police said Wednesday only senior officers are taught from a manual of interrogation techniques which has been criticized as a sexist document on the use of brainwashing, lies and deceit.

A 39-page manual used in an Ottawa RCMP course for five to fifteen-year veterans from across the country states that interrogations should start off 'Legal and right' but suggests that if normal methods fail it is time to resort to a 'Bag of Tricks'.

A spokesman for the RCMP—

Unfortunately the spokesman is not identified.

—said in an official statement—

This is about the only official statement we have had on this matter and is apparently some kind of attempt to explain away what to us must be definitely unexplainable, at least to my mind. It states that a spokesman for the RCMP said in an official statement:

● (1730)

As one aid to an investigation there is a duty upon our members to seek relevant information by interview and our investigators do not necessarily terminate a conversation because a suspect or witness denies a crime or knowledge of a crime.

I do not know what document this anonymous spokesman in the RCMP is replying to, but he is obviously not replying to or describing the document which I read from

this afternoon, or questioned the Solicitor General about yesterday afternoon. That was not a document which simply said that in the course of investigation one does not terminate a conversation because other information may be forthcoming. This is a suggested list of something like fifty different techniques, many of which are described by the author himself as brainwashing, techniques which, as indicated in the quotation, are in many ways a complete distortion of people, and certainly the labelling of people by their size or their shapes to me is so degrading as to be almost nonsensical.

This anonymous spokesman then went on to say, and I quote:

> ... the manual is used as part of a course offered at RCMP N Division in Ottawa's Rockcliffe area but does not represent official policy.

That will have to be explained to me, Mr. Speaker. I do not know how there can be a course offered at one of the main training divisions here in Ottawa, "N" Division, which does not represent official policy. It has already been referred to by a spokesman on behalf of the force. The cover page of this document very clearly shows the crest of the RCMP, and underneath it is written "*Maintains le Droit*" so there is no doubt. The fact that this document came into my possession, not here in Ottawa but as far afield as Prince Edward Island, would be the clearest indication possible that it is in wide circulation, and if this anonymous spokesman has indicated that it is used for training officers not just locally, but from all across the country, I just do not understand how it can be that this is not, to use the spokesman's language, official policy.

Obviously the minister may not be able to explain it either. If he were able to explain it, I assume he would have been in his place this afternoon. He would have been prepared either to speak to the matter on motions or at least to answer questions which hon. members on this side would have put to him. Neither took place, and we are faced with this most unhappy situation of leaving a considerable cloud over the functioning and procedures of the RCMP.

We already have had a fair bit of discussion in this House in the past couple of days about secrecy in government. There has been a certain amount of willingness on the part of the ministry to try to overcome the structural problems with regard to undue secrecy, but this is not just a question of secrecy. This is a question of recommended practice for the force all across the country, and in that light I think there is very great need for the fullest possible explanation.

I will go on to quote from this unnamed spokesman:

> "It is used by the RCMP in a course offered to senior investigators with between five and fifteen years of service and does not represent RCMP policy," the spokesman said.

Again he emphasizes that it does nor represent policy even though this is used as a manual in the training of senior investigators all across the country. In the official statement the RCMP said of the document—and I am not quoting this exactly because I think there may be something missing from the reprint of it from the wire service—that there was a lecture which usually accompanied the document. I hope that we will not only get the full

tabling of this document and an explanation of it by the minister, but some explanation as to the kind of lecture which accompanied this document. If there is a lecture which accompanies it, I shudder to think of the kind of training, the kind of suggestions, the kind of methods used by the RCMP above and beyond this shocking document we have before us this afternoon.

Mr. Peters: Maybe we should have a display of the artifacts used.

Mr. MacDonald (Egmont): I think that may be quite useful. There is no reference to it having been mentioned, but it is interesting that the hon. member for Timiskaming (Mr. Peters) should raise it because there is mention made of some of the more ghastly—if I can use that word—torture methods adopted by other countries and other police forces, but it does mention the fact that it does not recommend these. I cannot say what kind of suggestions or instructions are being given by the lecturer himself. The RCMP spokesman said, however, and I quote:

> "It is part of the broader body of literature on the subject of interrogation techniques which is only one segment of the entire course which includes other topics ..."

And the other topics are apparently human behaviour, the Canada Evidence Act—I wonder how seriously they grapple with the Canada Evidence Act in light of the manual we have before us—conspiracy, sexually motivated crime and crime scene investigations.

Certainly, if they are dealing in other ways with sexually motivated crime, given the kind of attitudes, stereotypes and concepts in this document about those who have either been victims of or possible suspects with regard to sex offences, I shudder to think of the attitudes and the understanding being conveyed in this advanced course to senior investigators here in 'N' division, Ottawa.

It may well be that we have really just taken the lid off Pandora's box, and I do not mean to make a pun by that because I think we are looking at a very serious situation with respect to the just and sensible training procedures being used for senior investigators in this country.

Mr. Peters: I didn't know that was attached to the RCMP.

Mr. MacDonald (Egmont): I will go on:

> "For this course as in many other courses offered by the RCMP, resource people from various fields such as lawyers, psychiatrists, judges and social scientists in the role of instructor present a variety of views."

That is the concluding part of this particular document. The press release goes on to say:

> The RCMP spokesman said copies of the manual were handed out to students as "this was easier than taking notes of a lecture." He said he did not know how many investigators had taken the course.

We have apparently something which has grown up without much serious questioning of a document which may have started innocently enough, and I do not know whether I should use the word "innocent" to describe this document. It has found itself consolidated into a booklet entitled "Interrogation Techniques" by Chief Inspector A. R. Roberts of the Calgary city police, and it is issued and

authorized by the training and development branch of the RCMP here in Ottawa.

It is incredible to think that all of this could have happened in light of the growing concern and awareness we have in this country. One thinks, for instance, of the investigations going on in the city of Toronto at the present time with respect to the methods by which the police obtain evidence for use in possible prosecutions. In light of that fact I was flabbergasted to discover that not only could a document such as this be obtained, but that the professor in question and his students at the University of Prince Edward Island were able to obtain from the RCMP in Prince Edward Island documentation to the effect that this particular booklet is still in common usage.

I had hoped to have by this afternoon—but unfortunately the mail service is not operating quite as efficiently as it might—an actual copy of the affidavit sworn by Professor Frederick P. Von Dreeger of the political science department of the University of Prince Edward Island.

In that affidavit Professor Von Dreeger says that on March 20 he had several conferences with Inspector M. R. De Kouchay of 'La' division, Charlottetown. On that date he was informed by Inspector De Kouchay that he had been in conference with Superintendent Moffatt of the training and development branch of headquarters, Ottawa, and he was advised that the said document was published for the use of the RCMP and, he said that document is used as a training manual in the subject area of interrogation procedures, and it was duly notarized. The affidavit to that effect is now in the hands of Mr. Alan Borowy of the Canadian Civil Liberties Union in Toronto.

● (1740)

This is not a situation where just one individual or a few police officers from time to time resort to techniques that would not be acceptable to the general public and would not stand up in a court of law.

Some people have suggested that in raising this matter yesterday I should not be surprised that these sort of techniques are advocated or practised and that, after all, sometimes unusual and rather bizarre methods must be resorted to in order to gain evidence for prosecution and conviction. I am quick to reply to such people that a basic principle of English law is that individuals are considered innocent until proven guilty, not the reverse. The latter seems to be an attitude taken with respect not only to the authorization and writing of this document but to its general approval and use by senior officers.

The minister has not appeared so I am not sure that he has a legitimate explanation for what has taken place. I do not think it is just or right that this House should adjourn until April 6 or 7 not knowing whether, even at that time, the minister will be present. In the next ten days or two weeks hundreds of people will be interrogated or questioned. This is the normal and daily procedure of our national police forces. When any individual in this country now hears a knock at the door, or is stopped on the highway, or questioned on the street corner, or invited by telephone to come to the police station for a discussion or, even more sinister perhaps, an interrogation, will he go with the apprehension that the kind of techniques and attitudes outlined in this booklet are going to be used? That is a situation which many Canadians will face unless there is a complete clarification of the issue.

I would hope that it is not possible for us to accept the adjournment of this House at this time until either the minister or the government House leader—

An hon. Member: Speak for yourself.

Mr. MacDonald (Egmont): I hope I am not just speaking for myself. If the hon. member feels that way, I feel sorry for him. It seems to me that means he is happy to throw away many of the basic civil liberties we have come to cherish in this country, and for which we fought two world wars in this century. If the hon. member is one who takes the attitude that this is justifiable and that the public is prepared to accept it, I hope he will stand and debate the matter. I hope he will read the document and come into this House, later today or tomorrow, and tell us that this is the kind of procedure he would expect the RCMP to exercise in their interrogation techniques. I would think that the hon. member, and others who share his view, would be more than surprised by the reaction of Canadians generally who do not expect from the RCMP the kind of intimidation, manipulation and brainwashing that are spelled out very clearly in this document.

I do not apologize for raising this issue because I think it is a fundamental and crucial one, and without a full explanation from the Solicitor General or the government House leader I do not think the Canadian people would find it acceptable that we should go home for an Easter break when a matter of such great consequence is before us. This affects the civil liberties of every individual in the country, and more especially those who in the course of the next week or two may find themselves being interrogated not only by the RCMP but also, since they often set standards for the rest of the country, by other police forces as well. The implication of acceptance of this document by the government would open the door to all kinds of mischief to be directed toward a person's civil, political and legal rights.

I think it is the responsibility of the government House leader, or someone representing the Solicitor General, to give clarification and an assurance to this House that this document will be withdrawn forthwith. There should also be an assurance that there will be an investigation of the training program used with regard to interrogation techniques. As was stated in the press release issued by the RCMP this afternoon, this document is merely part of a course. There is apparently an accompanying lecture. The document is bad enough, but one can imagine the lecture! I would hope we would not adjourn until the government House leader is able to give some kind of clarifying statement.

I think it is also important to remember that an undertaking was given to this House by the Solicitor General. Members may recall this, but I will repeat the exchange that took place between the minister and myself in this House yesterday afternoon. I asked the Solicitor General the following question:

. . . regarding the publication today by "The Cadre", a newspaper of the University of Prince Edward Island, of the information that a booklet on interrogation techniques of the RCMP, written by Chief Inspector A. R. Roberts—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time alloted to him has expired. Before I call upon the President of the Privy Council (Mr. Sharp), I would remind hon. members that if he speaks at this time he will be closing the debate.

Mr. Sharp: Mr. Speaker, I listened with very great interest to the hon. member who has raised this very serious question. I want to assure him that the Solicitor General (Mr. Allmand) is not absent because he did not want to deal with these matters but because he was attending to other business. I can express on his behalf his regret that he is unable to be here.

I believe that in order for this matter to be settled satisfactorily it would be necessary for the Solicitor General to be interrogated at some length—

Mr. MacDonald (Egmont): Not by the RCMP! He will be in great trouble if that happens.

Mr. Sharp: —before a committee of the House. I can certainly undertake on his behalf that when we resume, after what I hope will be an Easter break beginning this evening, he will be ready to deal with the very serious questions that have been raised. In saying this, I do not say this is not a serious matter; it is, and I agree with the hon. gentleman and can understand why he raised it on this occasion, but I can assure him that we take it seriously and that the Solicitor General will deal with it at an appropriate time.

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

Some hon. Members: Agreed.

Mr. MacDonald (Egmont): No. On division.

Motion agreed to on division.

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have a point of order relating to the business of the House. Earlier this afternoon there were some discussions about the possibility of dealing with Bill C-34 and disposing of it today. Did these discussions get anywhere?

● (1750)

Mr. Sharp: Mr. Speaker, I regret to say that they did not.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

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

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

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-46, An Act to amend the National Housing Act.—Chapter No. 38.

Mr. Speaker: In accordance with the order made earlier today, this House stands adjourned until Monday, April 7, 1975, at two o'clock in the afternoon.

At 6.03 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Monday, April 7, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

SUGGESTED REPRIMAND OF MINISTER FOR MAKING ANNOUNCEMENTS OUTSIDE HOUSE—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Hastings): Mr. Speaker, under the provisions of Standing Order 43, I rise to propose a motion regarding statements made by the Minister of Agriculture (Mr. Whelan) outside this House, statements such as concern the revised beef premium subsidy, the cow stabilization program and, in particular, the recent dairy announcement.

Noting that the minister promised the dairy farmers of Canada a comprehensive statement on dairy policy before the new dairy year began on April 1, and that despite questioning for many months, in particular, on March 20, 24, 25 and 26, the minister purposely chose to wait until March 27, the first day of the Easter recess, to announce portions of the dairy policy; and further noting that the announcement was deceptive in terms of the return to the farmers in that it encouraged premature price escalation to the consumer and prompted hoarding by those financially capable of doing so; and, again, noting the announced intention of the minister to reveal the full policy details outside the House on April 18—

Mr. Speaker: Order, please. If the hon. member wishes to propose a motion pursuant to the standing order, I would ask him to put it forthwith.

Mr. Ellis: Mr. Speaker, I will propose the motion immediately. I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House severely reprimands the Minister of Agriculture and instructs that in the future all statements on matters of substance to Canadian farmers be made in this House, excepting only in cases of extreme urgency and extenuating circumstances.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please.

HISTORIC SITES

PROPOSED REVIEW OF ADMISSION FEES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43. I do so in the hope that the Minister of Indian Affairs and Northern Development (Mr. Buchanan) has had an opportunity to give this matter consideration during the recess. I would therefore move, seconded by the hon. member for Greenwood (Mr. Brewin):

That this House urges the Minister of Indian Affairs and Northern Development to review the recently established scale of fees for admission to national historic sites, it being the view of this House that Canadians should be encouraged to visit a site such as Lower Fort Garry in Manitoba and should not be discouraged from doing so by a fee of $2 per person or $5 per family.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please.

* * *

PRIME MINISTER'S OFFICE

ALLEGED EXCESSIVE COVERAGE BY CBC OF CARIBBEAN TRIP—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek permission to move a motion under Standing Order 43. It arises from the release of a list from the Prime Minister's office showing that 22 members of the Canadian Broadcasting Corporation will travel to the Caribbean at public expense in connection with the news coverage of the Prime Minister's forthcoming trip to that area. I would move, seconded by the hon. member for Rocky Mountain (Mr. Clark):

That in view of the fact that the CBC should not be used as a public relations vehicle by the government or for the promotion of the Prime Minister's image, the House requests the Prime Minister for a detailed explanation of the lavish and excessive coverage planned for his forthcoming Caribbean travels by approximately 22 CBC staff personnel at public expense and further the House requests curtailment of such plans to an extent in keeping with the actual news value of the event.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43. It cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please.

Before calling oral questions, may I make one brief comment. I had assured the House that upon resumption of the sitting after the Easter break I would make a full statement concerning the guidelines which I believe ought to govern the question period. Upon reflection it seems appropriate that, rather than doing that today, I should do it perhaps next Thursday or Friday, and I will do so.

At this time we are entering an experimental stage and operating under a new rule under which the question period is to begin forthwith and stop promptly at three o'clock. I would, therefore, admonish all hon. members to bear in mind three things.

First, as there is to be a fixed cut-off time, oral questions and answers to them ought to be as brief as possible. I refer particularly to preambles. I might say that I am fascinated by the suggestion of a provincial colleague who says that when supplementary questions are allowed they ought not to be preceded by any preamble whatsoever. That suggestion could perhaps be a guideline for us in the future.

Second, points of order and questions of privilege which might be raised during the question period ought to be deferred until after the question period, in order to make sure that the question period, which terminates at three o'clock, is not interrupted in any way, unless it is absolutely necessary.

Finally, motions presented under Standing Order 43 which now precede the question period, and the presentation of which is to stop in any event at 2.15, ought to have connected to them only a brief explanation establishing the urgency and pressing necessity of the matter and not debating the point.

I leave those points on the record for the moment and reiterate that I will make a more complete statement later in the week which, I hope, will form the basis of discussion, perhaps at an early meeting of the Standing Committee on Procedure and Organization, in order to make sure that members on both sides have an opportunity to provide input into what ought to be the guidelines governing the question period.

Mr. Baldwin: And answers should be truthful, too.

● (1410)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—GOVERNMENT INTENTION IN SEEKING CONSENSUS—POSSIBILITY OF REACHING GENERAL UNDERSTANDING BY END OF MAY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. It arises out of the statement made last week by the Minister of Finance that he hoped by the end of May to have reached a consensus with various interest groups on how to deal with the economic troubles in the country. As the Prime Minister is in general charge of this program, will he advise whether it is the intention of the government to reach a general understanding by the end of May or is it the intention to have ready by that time a precise and comprehensive inflationary restraint program to be put into effect immediately?

Right Hon. P. E. Trudeau (Prime Minister): The former of the two, Mr. Speaker.

INFLATION—POSSIBILITY OF PROPOSALS REGARDING RESTRAINT TO MEETING WITH PROVINCIAL MINISTERS

Hon. Robert L. Stanfield (Leader of the Opposition): At the ministers of finance meeting on Friday, following the meeting of first ministers, is it the intention of the government to put before them any specific proposals with regard to restraint for their consideraton?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance intends being specific, but not too specific. He has to face the general dilemma of informing not only the House, but the provincial premiers of our course of action. At the same time, he will not want to announce the precise directions we want to follow until we are assured the various sectors of the economy are prepared to follow them. That is why he assumed the government will take until about the end of May to hopefully have general agreement on the general guidelines he wants to follow. With reference to the previous question, the more specific we can be by the end of May, the better it will be. However, at this time, the discussions with the various economic groups within the society are along general terms. They are not of an exploratory nature. They are of a suggestive nature.

INFLATION—REQUEST FOR EXPLANATION OF FIRST PHASE IN PROGRAM SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): As the government House leader said a couple of weeks ago that the government was near the end of the first phase of these discussions, I presume the first phase is now finished. Perhaps the Prime Minister, without giving too much away, can tell us in general terms what was the first phase.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the first phase was one of exploration to try to ascertain from the various groups in the economy what they would be prepared to consider as modes of restraint on condition that other people were also prepared to consider restraint. There was no attempt to have anybody give anything away during the exploratory phase, but to know their conditional position. With regard to the present phase, knowing what each party is prepared to do, the various ministers and myself are attempting to reconcile these positions and state a general course which can be followed by others.

ENERGY

OIL AND GAS PRICES—RELATIONSHIP OF INCREASES TO GENERAL CONSENSUS ON APPROPRIATE PRICE INCREASES

Mr. James Gillies (Don Valley): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In view of the fact that this week there will be considerable discussion about price changes for oil and gas, has the position being put forth by the government as to the appropriate pricing for these two natural resources been made in relation to some general consensus as to what price increases are appropriate for the economy at this time?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the preparation of the government's approach to this conference, the Minister of Finance has, of course, been fully involved. The concern about the impact on Canadian consumers of any very substantial price increase has been at the forefront of our discussions.

Mr. Gillies: Perhaps the minister misunderstood my question. It is precisely this. Was the position that the federal government will be putting forward at this conference arrived at in relation to a general program of consensus with respect to price increases in the economy?

Mr. Macdonald (Rosedale): Mr. Speaker, the general program was certainly taken into account.

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EXTERNAL AFFAIRS

VIET NAM—AMOUNT AND KIND OF AID OFFERED AND AGENCIES THROUGH WHICH IT IS CHANNELLED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of recent events in South Viet Nam, will the minister advise the House what kind of aid the government of Canada is now providing to both South and North Viet Nam, the dollar value of that aid and the agencies through which it is being channelled?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Up to the present time, Mr. Speaker, we have committed in excess of $6 million for humanitarian assistance in Indo-China. That is the first phase. We are watching developments and will respond to further needs as defined by the Secretary-General of the United Nations or the United Nations Commissioner for Refugees. We have allocated these funds through three international organizations; the Red Cross, the U.N. Commission for Refugees and UNICEF.

Mr. Broadbent: There is one part of my question with which the minister has not dealt; I am sure the omission was unintentional. Can he give the House a breakdown as between North and South Viet Nam?

Mr. MacEachen: No, Mr. Speaker, I cannot provide that information because it is expected or hoped that our primary thrust will be in the direction of helping the civilian populations which have been so tragically affected by the offensive now taking place. That will be the primary target of our assistance. I cannot provide the hon. member with a breakdown, but I will be happy to try to find out whether any approximation is possible.

* * *

IMMIGRATION

DATE OF ADOPTION OF CHILDREN COMING FROM VIET NAM

Mr. Edward Broadbent (Oshawa-Whitby): I will address my final supplementary to the Minister of Manpower and Immigration. It concerns adopted children who are being brought from Viet Nam to Canada. Can he inform the House whether these children were adopted at some time in the past, for instance, some months ago, or whether these adoptions are being carried out more or less on the spur of the moment?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The children we are seeking to bring out of Viet Nam in the circumstances are, in the main, children with respect to whom adoption proceedings were either completed or under way with the sanction of the South Viet Nam government and approval of provincial agencies in Canada. We are concentrating on these categories. It may happen that some children, in respect of whom formal adoption procedures have not been followed, might find their way aboard aircraft and be brought to Canada. If such were the case, we would regard them as having reached a temporary safe haven on humanitarian grounds. We are not, however, embarking upon the removal of children from Viet Nam without the sanction of a recognized government; we are fully aware of a possible aftermath in the sense that some of these children might have living parents and that they are Vietnamese citizens. We are being extremely careful about this aspect, as I sought to make clear in the public statements I have made during the last few days.

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[*Translation*]

HUMAN RIGHTS

FREEDOM OF PRESS—CANCELLATION OF ADVERTISING IN "LE JOUR"

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

A few days ago the Minister of Energy, Mines and Resources cancelled a series of ads which had been published up till then in the Montreal daily *Le Jour*. Well, the hurt, frustrated and embittered press council is reported to have made representations to the Prime Minister in the name of the so-called freedom of the press. Has the Prime Minister in fact received representations from these crybabies of the press council and, if so, what has been his reply?

Right Hon. P. E. Trudeau (Prime Minister): As far as I am concerned, Mr. Speaker, I have received no direct representations from the press council. They may have

written to me, and I am of course aware of this, to the extent where you will allow me to answer a hypothetical question, Mr. Speaker, this is what I would have replied.

To my mind, the freedom of the press is not really in jeopardy in this instance since in no country of the world is any press freer. In Montreal alone there are half dozen dailies, many weeklies, four television networks, seven or eight radio networks: that is certainly freedom of the press. Whether the government should help commercial undertakings through a commercial advertising is an entirely different matter, Mr. Speaker. I feel that the answer to that is based on notions of marketing, amongst others, and many other considerations.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary. Is the Prime Minister of the opinion that the government departments should pay for advertisements in *Le Jour* to prove to them that anywhere else in the world those people would not be allowed to strive towards the destruction of their country, Canada?

Mr. Trudeau: Mr. Speaker, I would certainly not suggest that idea to my colleagues of the cabinet. It may be that some of them feel that way but I would point out to the leader of the Social Crediters that *Le Jour* itself published, in its first editions, a code of ethics on publicity reserving itself the right to refuse some publicity. It may do so; that, I do not know, but as the question is hypothetical I have no intention of suggesting that recourse.

* * *

● (1420)

[*English*]

LABOUR CONDITIONS

INQUIRY WHETHER ATTITUDE OF GOVERNMENT TOWARDS STRIKING ASBESTOS WORKERS APPLIES TO ALL COLLECTIVE BARGAINING NEGOTIATIONS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. Considering that the Prime Minister and certain of his cabinet colleagues have expressed solidarity with the cause of the striking asbestos workers in Quebec, referred to by the Prime Minister as "comrades", can the Prime Minister tell the House whether his support of these workers is indicative of the government's attitude today toward all collective bargaining negotiations throughout Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I hope it is indicative of the feeling of all Liberals toward people who are engaged in difficult conflicts, particularly on questions like this when there is a matter of health involved.

Mr. Stevens: Mr. Speaker, I have a supplementary question for the Prime Minister. Can the Prime Minister assure the House that all of his cabinet colleagues whose names were attached to the message of solidarity were aware, at the time the message was sent, that their support had been given to the cause of the striking workers?

Mr. Trudeau: Mr. Speaker, I did not, of course, mail the telegram myself, but it was made in co-operation with two other ministers, or two other of my comrades, who were associated with me not only in the telegram that was sent by my office but in the telegram received by me.

[Mr. Trudeau.]

EFFECT OF ATTITUDE OF GOVERNMENT TOWARDS STRIKING ASBESTOS WORKERS ON EFFORTS TO ACHIEVE CONSENSUS ON RESTRAINT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a further supplementary question for the Prime Minister. Would the Prime Minister indicate to the House in what way he feels that this telegram sent by himself and his two comrades complements the efforts that he says he is making to arrive at a consensus with respect to our general economic condition at the present time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this seems like an argumentative question. Perhaps I should tell the hon. member that it is very important, at least for people sitting on this side of the House, that feelings of humanity are expressed from time to time by the leaders of the country.

Mr. Speaker: The hon. member for Fundy-Royal.

Mr. Fairweather: Mr. Speaker, I shall defer to a comrade.

Mr. Speaker: Order, please. The experimental rules under which we are operating provide no procedure for recognizing a minister at this point. Specifically, there was a recommendation from the committee that we try to eliminate interventions by way of points of order or in other ways. Unless the minister can indicate to me that there is some pressing necessity to recognize him at this time, I would have to go on to the next question.

Mr. Marchand (Langelier): It is because my name was mentioned in the question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Fundy-Royal.

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PUBLIC SERVICE

RIGHT OF EMPLOYEES TO TESTIFY BEFORE BERGER COMMISSION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. I would hope that the minister is prepared to say for the record that it is the policy of the government that employees are free to testify at the Mackenzie pipeline inquiry being conducted by Mr. Justice Berger without any prior permission or conditions, and that this is a right these employees have as citizens of this country.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): That is the policy of the government, Mr. Speaker.

AIR TRANSPORT

SUGGESTED SEPARATE MINISTRY FOR CIVIL AIR TRANSPORT—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Minister of Transport. In view of Air Canada's continuing problems including the resignation of the vice-president of marketing, and questions raised concerning the status of the vice-president of personnel, as well as other well known difficulties which continue to plague Air Canada, has the minister considered, in the context of his long-promised reorganization of transport policies, a separate ministry for aviation to focus more clearly on the needs and priorities of Canadian civil air transport?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, up to now the only aspect which has been of interest is the formation of a separate corporation in respect of Air Canada rather than it being operated as a subsidiary of the CNR, but we have never entertained the other formula that is proposed.

Mr. MacKay: Mr. Speaker, in view of the rapid growth in civil air transport and the rapidly increasing complexity of transportation generally, will the minister undertake to have an in depth study made on the advantages and disadvantages that are obvious under such an arrangement of a separate ministry of air transport, which is the case in Britain and some other countries?

Mr. Marchand (Langelier): Mr. Speaker, this is one of the aspects which is now under consideration.

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[*Translation*]

INDUSTRY

PROPOSED AID FOR FURTHER PROCESSING OF ASBESTOS IN QUEBEC

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the right hon. Prime Minister.

With regard to the conflict in Thetford Mines, and in a much more serious mood, could the Prime Minister tell the House whether he is prepared to give his government's technical or financial aid to any initiative from the Quebec's government with a view to processing asbestos on its own territory, and so to the development of this secondary sector?

Right Hon. P. E. Trudeau (Prime Minister): I am very pleased, Mr. Speaker, to see at least one hon. member opposite being serious about the matter. The answer generally is yes, Mr. Speaker, since there is already very intensive cooperation between the Department of the Environment and the governments of every province with regard to environment matters and production of raw materials. The Department of Industry, Trade and Commerce has already stated the government's policy, which is to encourage the processing of Canadian raw materials before exporting them.

[*English*]

INFORMATION

REQUEST FOR PUBLICATION OF REPORT RECOMMENDING THAT MORE INFORMATION BE MADE PUBLIC

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in light of the very important discussions now going on in respect of freedom of information, I should like to ask the President of the Privy Council whether the government is prepared to release the report made in the Privy Council, which is alleged to propose that more information be made public, but a report which is now being held confidential?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I do not think there is anything being held confidential. The government has accepted that principle and does intend, as I have said when appearing before the standing committee, to reveal all the information that can be revealed without danger to the security or the economic health of the country.

Mr. Stanfield: Let it all hang out.

Mr. Baldwin: Mr. Speaker, I am sure that in his excitement the hon. gentleman forgot to answer the major part of my question, that is whether the government is prepared to release that very interesting report?

Mr. Sharp: Mr. Speaker, I am not sure there is such a report. Perhaps the hon. gentleman knows more about these secret reports than I. All I can say is that my predecessor advised his colleagues, and I support that advice which is expressed in the guidelines which begin by stating that all information should be given to the House of Commons, except in certain specific categories.

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● (1430)

NORTHERN AFFAIRS

INQUEST INTO CRASH OF PANARCTIC PLANE—ALLEGED REFUSAL OF WITNESSES TO APPEAR—GOVERNMENT ACTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It relates to an inquiry into a PanArctic plane crash which happened at Rae Point in the Northwest Territories in October 1974 and involved the loss of 32 human lives. This inquest is being held up because some of the witnesses have refused to appear. Can the minister explain to the House why the employees of PanArctic Oil Limited are refusing to appear before the inquest? Does the minister plan to intervene to ensure that the witnesses will appear so that the jury can come to a satisfactory and just conclusion on this disaster?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is my understanding that at no time did PanArctic instruct its employees not to attend this inquiry. I have indicated to the president that it would be my wish that they would appear, but certainly this is a decision that has been taken by them and not by me.

Oral Questions

NATIONAL DEFENCE

POSSIBLE PURCHASE OF LAND NEAR CHILLIWACK—GOVERNMENT POSITION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. Is the minister considering the purchase of some 700 acres of prime agricultural land near the Canadian forces base at Chilliwack at a cost of some $1,600 per acre?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I shall make inquiries. I have not heard that the department is looking at that kind of property at that price.

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EXTERNAL AFFAIRS

VIET NAM—POSSIBILITY OF PROTEST TO NORTH VIET NAM ON RECENT HOSTILITIES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the ongoing attempt to assist the civilian population of South Viet Nam, in particular orphan children, could the minister advise this House whether or not Canada has sent any recent formal or informal protest to North Viet Nam concerning these further recent outbreaks of hostility in Viet Nam which are affecting the civilian populace of that country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, last week I issued a statement which contained the views of the Government of Canada with regard to this unfortunate human tragedy that is unfolding in South Viet Nam. I have not made a protest or denounced the situation as such, but have made the comment that a major military offensive is under way and that the Government of Canada deplores this fact and particularly the effect the offensive is having on so many innocent civilians in the area.

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IMMIGRATION

ORPHANS FROM SOUTH VIET NAM—GOVERNMENT ACTION TO SPEED UP IMMIGRATION PROCESS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a supplementary for the Minister of Manpower and Immigration. It is further to the minister's earlier statement in the House. I wonder whether he could tell us what steps if any have been taken to speed up the immigration process in respect of South Viet Nam's orphaned children in light of the fact that individuals seeking to adopt these children are receiving vague and conflicting statements from immigration offices on this matter?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think my earlier comment in reply to the Leader of the New Democratic Party went a long way towards clarifying that, as indeed I would hope my public statements over the last few days have, but we most certainly, if I may reiterate, have been expediting the removal from Viet Nam of orphan children for whom there has been authority from the South Vietnamese government for exit and for whom adoption proceedings in Canada were completed or under way. Clearly, that is the category we have been expediting. Some 62 children arrived yesterday at Vancouver, most of whom were then transported to Montreal and placed in the hands of the families who have been waiting to receive these children, in some cases for several months and in other cases for several weeks. Our best estimate in a confusing situation is that there may not be more than another 50, 100 or 150 children left in Viet Nam who were in that process at the time this special tragedy began to unfold the other day. So, we do not anticipate great numbers.

I might say again in respect of the Canadian families who have recently offered in a great way to adopt children that very few of them will receive children because, as I indicated earlier, it is the group that was in process before this emergency developed which we are bringing forward as rapidly as we can under the circumstances.

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EXTERNAL AFFAIRS

GOVERNMENT POLICY ON ASSISTING ADULT REFUGEES FROM VIET NAM

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is a supplementary in respect of Viet Nam and is directed to the Secretary of State for External Affairs. In the event of further deterioration of the situation in Saigon to the point where the functioning of the government would be seriously impaired, does the Canadin Government have any policy to independently assist adult refugees as well as orphans to come to Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as I intimated in an earlier answer, upon which my colleague elaborated, the Government of Canada would listen to any requirements or recommendations made by the United Nations High Commissioner for Refugees and would consider any international effort in that direction. That situation has not yet arisen. We are presently dealing with orphans and nominated and sponsored relatives. That is the situation up to the present. My colleague may wish to elaborate further.

Mr. Speaker: One supplementary by the hon. member for Edmonton-Strathcona.

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IMMIGRATION

CANADIAN POSITION ON ADMISSION OF ADULT REFUGEES FROM VIET NAM

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my supplementary is directed to the Minister of Manpower and Immigration. Has the minister communicated with the UN High Commissioner for Refugees

to indicate Canada's willingness to accept adult refugees as well as orphans?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have communicated with the United Nations Commissioner for Refugees, as my colleague, the Secretary of State for External Affairs, has said, and have indicated that we will support and assist any international movement to alleviate the human misery that is unfolding in Viet Nam. There is not a specific refugee declaration now. We are expediting, to the degree we can, the sponsored and nominated relatives of Canadians and landed immigrants in Canada who have been coming to our Canadian immigration centres these past few days to give us the information and the names which we have been sending to Saigon. I have to say, however, that there are extreme difficulties in locating them in Viet Nam.

As of this moment there have been about 5,500 names sent over which were given to us during the last week, and to locate them in Viet Nam is difficult. Secondly, the Vietnamese government is making quite clear it will not casually consider giving exit visas to adults between the ages of 16 and 43. So, we are inhibited in relation to what we can do under the circumstances, and have indicated our willingness to consider support for any international action the United Nations Commissioner for Refugees might wish to discuss with us.

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EXTERNAL AFFAIRS

SOUTH VIET NAM—POSSIBILITY OF PROTEST TO UNITED NATIONS ON MILITARY OFFENSIVE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Secretary of State for External Affairs and relates to his answer to the hon. member for High Park-Humber Valley with regard to the position of the Canadian Government in respect of the major military offensive which has caused this undue suffering of orphans in South Viet Nam in particular. Has the government made a formal protest in respect of the position that was set out by the minister through the proper formal channels of the United Nations and if not, why not?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have made no formal protest. We certainly support the analysis of the situation in respect of the human aspect recently made by the Secretary General, but we have not proceeded through the United Nations.

Mr. Woolliams: Mr. Speaker, I wonder whether the minister would be prepared to tell us why not?

Mr. MacEachen: Mr. Speaker, I believe what we are seeking to do at the present time is to take a constructive role in the humanitarian field and come to the assistance, where possible, of the innocent civilians involved. That appears to be the proper role for Canada which at the present time has no effective political role which it can play in the situation, except to urge the parties to cease hostilities which has been done already and which we will continue to do.

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AGRICULTURE

QUOTAS ON BEEF CATTLE FROM UNITED STATES—POSSIBILITY OF REMOVAL

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Agriculture. Can the minister inform the House if the cattle quotas will be lifted or will be allowed to lapse after they have run their year and whether he can raise any hopes after his visit to Washington that Canadian feeders may again have access to the United States market?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in respect of the first question, I am not sure what the hon. member means about the cattle quotas being lifted. Perhaps he might explain that further. In answer to the second part of the question the meeting between myself, our officials and the American officials and my counterpart, the United States Secretary of Agriculture, was a very productive meeting.

Mr. Ritchie: Mr. Speaker, the first part of the question had to do with the application of the cattle quotas on United States cattle presently entering Canada.

Mr. Whelan: Mr. Speaker, that all depends on how productive the meetings are which we hope will follow the very productive meeting we had last Wednesday in Washington. These matters have to be discussed and proper programs have to be worked out. I believe they feel the same way.

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● (1440)

TRANSPORT

RAIL LINE ABANDONMENT—DATE OF ANNOUNCEMENT OF REVIEW AND EVALUATION PROCEEDINGS

Mr. Don Mazankowski (Vegreville): My question is directed to the Minister of Transport. On March 11 the minister stated that within a week an announcement would be made outlining the form and the procedure in which the review and the evaluation proceedings would take place with respect to the 6,000 miles of rail line trackage which is secured for a period of one year to the end of 1975. I wonder if the minister has as yet formulated or concluded the process under which this review will take place, and can he say when an announcement can be expected?

Hon. Jean Marchand (Minister of Transport): There have been a few delays, which everyone understands. I hope we can do it this week, Mr. Speaker.

[*Translation*]

AGRICULTURE

EFFECT OF LONGSHOREMEN'S STRIKE ON SUPPLY OF FEED GRAIN—GOVERNMENT ACTION

Mr. Marcel Roy (Laval): Mr. Speaker, I have a question for the Minister of Agriculture, who is responsible for the Canadian Livestock Feed Board.

Following the longshoremen's strike in the ports of Montreal, Trois-Rivières and Quebec, and in view of the impossibility of unloading grain in those ports, has the minister been informed that the millers no longer have any grain to manufacture feed stuff, and if so, does he intend to get in touch with the authorities concerned to supply eastern producers with grain economically?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, according to the report that I had just before coming to the House, there are still some supplies and we are doing everything we can to make sure that those who are in the most direct need of extra supplies will be looked after. I am awaiting a further report later on this afternoon on just what the present situation is.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Agriculture, a question which is supplementary to that of my colleague from Laval (Mr. Roy).

In view of the numerous telegrams received from the millers of the province of Quebec to the effect that the supplies in livestock feed grains are excessively limited, and since it is said that the reserves will last only a few days, can the minister tell the House whether he intends to take drastic measures to make possible at least the delivery of the livestock feed grains which are in the warehouses, in the elevators of the province of Quebec, in order to prevent speculation, the rise of prices or the massive slaughtering of animals?

[*English*]

Mr. Whelan: We intend to do what is within our jurisdiction to make sure that proper feed supplies, which are usually provided in this part of Canada, are provided to the livestock and poultry feeders and to make sure that there are no exorbitant rip-offs or extra charges.

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AIRPORTS

REQUEST FOR CONSIDERATION OF PROPOSALS TO LESSEN NOISE AT VANCOUVER IN DECIDING ON CONSTRUCTION AT PICKERING

Mr. Andrew Brewin (Greenwood): My question is addressed to the Minister of Transport. In the light of the fact that the Ministry of Transport has published material relating to the proposed airport at Vancouver indicating that it is feasible to lessen appreciably the noise impact of aircraft, will the minister take this into account in considering whether there is any necessity to proceed with the Pickering airport as the Malton airport could be expanded without appreciably increasing the noice factor there?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I regret but I see no relationship between the two. The government has decided to proceed with Pickering and we will proceed with it along the lines stated.

PICKERING—REQUEST FOR PLEBISCITE BEFORE CONSTRUCTION

Mr. Andrew Brewin (Greenwood): Would the minister, consistent with what he and the Prime Minister have said, provide for a plebiscite in the whole area affected, which includes the city of Toronto, before proceeding with the airport?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not know what the Prime Minister said; he can speak for himself. But I know that I never promised any plebiscite. The only thing I said is that if ever the whole population of metro Toronto did not want an airport, we would not build one against their will.

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ADMINISTRATION OF JUSTICE

APPOINTMENT OF DRUG PROSECUTORS IN KITCHENER-WATERLOO—REASON FOR APPOINTMENT OF LIBERALS AND FAILURE TO CONSULT MEMBER

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Justice. Would he explain, perhaps today or later this week on motions, the circumstances leading up to his appointment of three federal drug prosecutors in Kitchener-Waterloo who are all directors of the local Liberal Association, and particularly why local opposition members of parliament were not consulted about these appointments when the minister felt it necessary to consult the local government member to obtain his suggestions.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I can refer the hon. member to a couple of answers to order paper questions in the past years explaining in careful detail the manner in which the Minister of Justice takes his responsibility for appointing agents across the country. I find that hon. members opposite frequently notice that there seem to be more qualified Liberal lawyers than others, but that may simply be a part of the process.

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LABOUR CONDITIONS

LONGSHOREMEN'S STRIKE IN QUEBEC—GOVERNMENT ACTION TO SETTLE

Hon. Robert L. Stanfield (Leader of the Opposition): My question is directed to the Prime Minister in the absence of the Minister of Labour. Can the Prime Minister tell us what initiatives, if any, his government is taking to achieve a settlement of the stevedoring strikes in Mont-

real, Three Rivers and Quebec in view of the mediator having thrown in the towel, so to speak?

Right Hon. P. E. Trudeau (Prime Minister): I am afraid I cannot enlighten the hon. member on that, and I have not had a chance to speak to the Minister of Labour this morning.

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CANADIAN BROADCASTING CORPORATION

REASON FOR LARGE CREW TO COVER COMMONWEALTH CONFERENCE

Mr. J. P. Nowlan (Annapolis Valley): My question is directed to the Secretary of State who is responsible for the CBC. At a time when the leaders of our land are asking for restraint among Canadians, can the minister check with the new executive vice president of the CBC, who allegedly has some experience in cost control, to find out why it is necessary for the CBC to send more people to the Commonwealth conference in Jamaica than there will be in the Prime Minister's delegation?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will find out, but I take it it is because the CBC and a lot of people in this country attach a great deal of importance to the Commonwealth.

Mr. Nowlan: Since CTV reportedly will cover this important conference with one cameraman and one reporter, could not a bilingual reporter with unilingual units adequately do it justice, and, if not, has Keith Spicer been consulted?

* * *

HEALTH

BACTERIAL VIRUS RESEARCH BY UNITED STATES—REQUEST FOR ASSURANCE SUCH RESEARCH NOT BEING CONDUCTED NEAR CANADIAN BORDER

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Is the minister aware of research presently being conducted in the United States involving the cloning of bacterial viruses?

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker.

Mr. Darling: Can the minister assure the House that such research is not being carried on in close proximity or indeed within Canadian borders by either U.S. or Canadian research organizations?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I cannot control research performed in the United States even when it is done near the Canadian border.

[*English*]

OFFICIAL LANGUAGES

MANNER IN WHICH REPORT OF COMMISSIONER WRITTEN—GOVERNMENT POSITION

Mr. Arnold Malone (Battle River): I should like to direct this question to the right hon. Prime Minister and ask him whether the government considers it acceptable that the Commissioner of Official Languages, in writing his annual report, chose to write it in such a flippant manner as to make this government's major program obscure and difficult to decipher in an analytical and critical way?

Right Hon. P. E. Trudeau (Prime Minister): I could ask the same question of the hon. member. He will realize, of course, that the Commissioner of Official Languages was appointed by parliament under the act, and that he is not responsible directly to the government.

Mr. Malone: Inasmuch as it is important for parliamentarians to be able to analyse these matters carefully, will the Prime Minister consider directing department people to write their annual reports in such a manner as to make it possible to analyse them in the way that the reports of the various departments must be analysed?

Mr. Trudeau: I must retort with the explanation that Mr. Spicer is not a departmental person. He is an officer of this parliament, not of the government. Personally, I do not quite agree with the views expressed by the hon. member. I think I can analyse Mr. Spicer's report rather more easily than he can.

* * *

[*Translation*]

THE CANADIAN CONSTITUTION

CONDITIONS IMPOSED BY QUEBEC FOR REPATRIATION

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Prime Minister.

Some ten days ago the Quebec premier stated in Nicolet that he was willing to reopen the file on the constitutional review. He indicated that Quebec, before agreeing to the repatriation of the constitution, wanted to make sure that the amendment formula would be drawn up to enable that province to obtain a special status. Under the circumstances, is the Prime Minister also in position to tell us whether he is ready to reopen that file, taking into consideration the condition set by the Quebec premier?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the member was kind enough to send me the press cutting which he quotes. I did not have the opportunity to check the matter. I did not speak recently to Mr. Bourassa to see if indeed the newspaper quotation was accurate. I very much doubt it.

● (1450)

[*English*]

THE CANADIAN ECONOMY

INFLATION—GOVERNMENT PLANS TO ASSURE LEVEL SUGGESTED BY CANADIAN LABOUR CONGRESS NOT REACHED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, a question for the Prime Minister. The Canadian Labour Congress has indicated that the inflation rate this year will be some 12 per cent. I wonder if the Prime Minister can advise the House whether he will be attending the first ministers' conference with some contingency plan or ideas to show that this government is not bankrupt in order to see to it that this level of inflation is not reached?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member wishes to recall, I did indicate that the second item on the agenda would be the state of the economy. Of course, the problem of inflation will be discussed. I hope it will be an occasion to show to an audience more open-minded than my usual one that the government has indeed done a great deal.

Mr. Alexander: A supplementary question. We are all waiting with bated breath to see the leadership given by the Prime Minister.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Alexander: Now, now, behave. Let me ask the Prime Minister this question. Does he agree with the statement made by the Canadian Labour Congress that inflation will reach 12 per cent this year?

Mr. Trudeau: Mr. Speaker, I hope that the inflation rate will be below 12 per cent, but of course I am not a prophet.

An hon. Member: Oh, really?

Mr. Trudeau: I was going to say, if the hon. member would continue waiting with bated breath perhaps he will—

Mr. Sharp: Die.

An hon. Member: Suffocate.

Mr. Trudeau: —see that he should not wait too long.

UNEMPLOYMENT—GOVERNMENT PLANS TO ASSURE LEVEL SUGGESTED BY CANADIAN LABOUR CONGRESS NOT REACHED

Mr. Lincoln M. Alexander (Hamilton West): The Prime Minister is still cheerful, but he has not answered my question. He has said nothing whatsoever. It has been further suggested by the Canadian Labour Congress that the unemployment rate will reach 8 per cent. Does the Prime Minister agree with that or, on the other hand, is he going to the first ministers' conference with some program in order to see to it that this rate is not reached?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the unemployment figures for March will be published tomorrow. I do not know what they are.

Some hon. Members: Oh, oh!

Mr. Trudeau: It is tomorrow or the next day, I am not sure, but I hope they will not be reaching that figure at all.

* * *

HISTORIC SITES

REQUEST FOR RECONSIDERATION OF ADMISSION FEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I put a question to the Minister of Indian Affairs and Northern Development. In view of the concern expressed in various parts of Canada about the recently established scale of fees for admission to national historic sites, will the minister review this policy, and in particular will he take another look at the fee being charged for admission to Lower Fort Garry?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are looking at the situation of Lower Fort Garry and thinking of some sort of annual family type pass which might meet the need that is concerning the hon. member.

* * *

NATIONAL PARKS

REQUEST FOR RECONSIDERATION OF TOLLS ON RIDEAU CANAL

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. Would the minister reconsider the announcement made by his department in regard to tolls on the Rideau Canal which is going to cause severe hardship for the tourist industry, which is the prime source of revenue for that area of Leeds county in the summer?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated to another hon. member a couple of days ago in regard to canals, the revenue which we will receive represents approximately 7 per cent of the operating costs. It seems to me it is difficult to justify lowering that figure.

* * *

AGRICULTURE

CANADA-UNITED STATES QUOTAS ON BEEF CATTLE—POSSIBILITY OF REMOVAL

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture following his recent visit during the Easter break to the United States where there was an exchange of goose eggs between him and his United States counterpart. May I ask the minister whether he was pressing for a removal of the import/export restrictions between the two countries, and what

was the hesitation on the part of Secretary Butz of the United States or on the part of the minister himself?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I should like to say to the hon. member that any eggs, as long as they are good eggs, are all right by me. We did discuss many aspects of agricultural trade between our two countries.

Mr. Speaker: One supplementary, the hon. member for Mackenzie.

Mr. Korchinski: A supplementary question. Since it appears that officials have to correct any impression which may have been left there at the moment, may I ask the minister how long he expects these negotiations will take in order to come out with another policy or a change in the present policy?

Mr. Whelan: Soon, Mr. Speaker.

* * *

[*Translation*]

LABOUR CONDITIONS

STRIKE AT THETFORD MINES—REQUEST OF THE WORKERS FOR AID—GOVERNMENT ACTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

Considering that the strike in the asbestos industry at Thetford Mines has been lasting for a long time, and the importance that the Prime Minister formerly attached to the asbestos strike, in company with the present Ministers of Transport and Communications, could the Prime Minister tell the House whether he has received any protests on behalf of the Thetford Mines workers who are asking help from the central government, and further, since it is a matter of national health involving, not only provincial but also federal authorities, could he tell the House whether the government has been in touch with the employers there and whether he has given an answer to the workers who are asking for federal help to settle the dispute that has already lasted too long?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I indicated earlier in one of my answers, some aspects are under federal responsibility. For example, the federal Department of the Environment is responsible for environmental matters. But I understand that the present conflict is not directly under federal jurisdiction. The question asked by the hon. member for Saint-Hyacinthe on the processing of raw materials can fall under federal responsibility, as well as environmental matters but I repeat for the hon. member what I told the comrades of Thetford, this matter is not directly under federal jurisdiction.

Mr. Caouette (Témiscamingue): Mr. Speaker, I want to put a supplementary question to the Minister of National Health and Welfare.

Would the minister consider it advisable to present a pilot project in that region to implement the principle of the guaranteed annual income, which would settle the present dispute at least in part?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not think the hon. member's proposal would help settle the conflict at the present time.

ROUTINE PROCEEDINGS

[*English*]

GRAIN

TABLING OF REPORT ON BILL S-10, TO AMEND THE FEEDS ACT

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table in both official languages copies of a report made by me pursuant to section 3 of the Canadian Bill of Rights, relating to Bill S-10, an act to amend the Feeds Act.

* * *

INDUSTRY

TABLING OF PUBLICATION "PRIVATE AND PUBLIC INVESTMENT IN CANADA"

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table in both official languages copies of a publication entitled "Private and Public Investment in Canada".

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,198, 1,228, 1,249, 1,265, 1,326, 1,346, 1,369, 1,512, 1,536, 1,541, 1,542, 1,544, 1,545, 1,558, 1,568, 1,592, 1,593, 1,601, 1,680, 1,703, 1,704, 1,706, 1,731, 1,737, 1,749, 1,750, 1,754, 1,757, 1,769, 1,770, 1,772, 1,775, 1,809, 1,811, 1,816, 1,817, 1,818, 1,826, 1,833, 1,850, 1,856, 1,859, 1,865, 1,866, 1,871, 1,873, 1,886, 1,887, 1,896, 1,899, 1,902, 1,905, 1,914, 1,936, 1,957, 2,037, 2,040 and 2,087.

Mr. Speaker, if questions No. 84, 724, 1,340 and 1,851 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions No. 1,707 and 1,791?

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

Order Paper Questions

[*Text*]

TRAVELLING EXPENSES FOR MR. MICHAEL PITFIELD

Question No. 1,198—Mr. Cossitt:

With reference to the answer to Question No. 446 to the effect that travelling expenses for Mr. Michael Pitfield paid from public funds between April 20, 1968 and March 1, 1973 totalled $14,754.14 and between March 1, 1973 and October 24, 1974 totalled $6,037.14 (a) what is a complete list of all items along with costs that make up these totals (b) where did Mr. Pitfield travel in each case (c) what other government persons, if any, accompanied him in each case?

Right Hon. P. E. Trudeau (Prime Minister): (a) The amounts referred to cover travel expenses (transportation, lodging, meals, etc.) in accordance with Treasury Board Travel Directive. Details of individual expense claims are not customarily made public. (b) and (c) Duplicates information requested by the hon. member for Leeds in question No. 447—please see Sessional Paper No. 301-2/447, 10 February 1975.

PRIME MINISTER'S OFFICE

Question No. 1,228—Mr. Cossitt:

Is the Prime Minister recording his daily views and visions in a diary for the benefit of posterity and for purposes of eventually supplying the Canadian people with an insight into the factors that motivated and guided the Trudeau years?

Right Hon. P. E. Trudeau (Prime Minister): Disclosure of information of a private nature should not be requested under the rules of parliament.

OFFICIAL LANGUAGES MINORITY GROUP'S PROGRAMME

Question No. 1,249—Mr. Mazankowski:

1. How long has the Official Languages Minority Groups Programme been in effect?

2. What was the total amount expended on this Programme since its inception in each fiscal year to December 31, 1974?

3. What was the total amount granted to each province since its inception in each fiscal year to December 31, 1974?

Hon. James Hugh Faulkner (Secretary of State): 1. Since the summer of 1969.

2. 1969-70 — $ 1,320,000
1970-71 — $ 1,767,000
1971-72 — $ 2,365,000
1972-73 — $ 3,030,000
1973-74 — $ 3,181,000
April 1, 1974—December, 1974 — $ 2,959,469

3.	1969-70	1970-71	1971-72	1972-73	1973-74	April 1, 1974—December, 1974
	$	$	$	$	$	$
Nfld.	0	1,000	7,454	6,780	7,920	15,000
P.E.I.	5,000	27,000	30,700	39,360	31,700	45,000
N.S.	49,648	105,390	85,645	98,675	92,678	108,000
N.B.	91,680	140,430	171,250	324,255	307,390	320,000
Que.	75,845	122,480	100,981	194,700	257,841	199,440
Ont.	312,696	387,982	602,900	761,528	621,188	636,470
Man.	126,440	184,170	218,200	257,610	272,817	286,300
Sask.	45,200	106,680	112,145	159,520	140,212	130,195
Alta.	70,000	119,192	107,454	165,405	151,878	134,010
B.C.	25,300	65,411	59,305	86,755	105,180	96,890
Nat.	227,871	386,115	418,942	495,410	511,196	606,164
	1,029,680	1,645,850	1,914,976	2,499,998	2,500,000	2,577,469

FISHERY PATROL—HMCS "ANNAPOLIS"

Question No. 1,265—Mr. Forrestall:

1. What has been the total cost to date for the operation of HMCS *Annapolis* in fisheries patrol work to assist the Department of the Environment (Fisheries)?

2. What has been the operating cost per day for the *Annapolis* while engaged in such support for the Department?

3. To what specific vote has the operating costs of the HMCS *Annapolis* been charged in respect of those costs incurred in fisheries patrol work for the Department?

4. Has the cost of effecting fisheries patrol by the *Annapolis* for the Department been charged to its budget and, if not, for what reason?

5. To which departmental budget are fisheries patrol work carried out for the Department by the Department of National Defence or other departments charged as a matter of specific government policy?

Hon. James Richardson (Minister of National Defence): 1 and 2. The cost to operate HMCS *Annapolis* is approximately $3,937 per day exclusive of personnel costs. HMCS *Annapolis* has been used for 13 days to carry out fisheries patrol work in conjunction with military surveillance duties.

3. Vote 1—Defence Services Program.

4. No. Funds are provided by parliament in Vote 1 of the Defence Services Program for the Protection of Canada which includes fishery patrols by military vessels.

5. The costs of fisheries patrols carried out by military vessels are charged to the budget of the Department of National Defence.

DEFENCE BUDGET—1963-75

Question No. 1,326—Mr. Forrestall:

1. For each year since 1963, what was the defence budget, including the estimated figures for the fiscal year 1974-75?

2. (a) What is the dollar value of each of these in terms of (i) 1963 dollars (ii) 1974 dollars (b) which economic indicators were used to arrive at such dollar values?

Hon. James Richardson (Minister of National Defence): 1. The defence budget for the years in question was as follows:

Fiscal Year	Net Budget ($000)
1963/64	1,728,883
1964/65	1,546,751
1965/66	1,579,251
1966/67	1,644,599

Fiscal Year	Net Budget ($000)
1967/68	1,758,327
1968/69	1,763,940
1969/70	1,793,353
1970/71	1,829,754
1971/72	1,900,145
1972/73	1,985,147
1973/74	2,234,295
1974/75	2,507,983

2. (a) (i), (ii) The dollar value of each of the above budgets in terms of 1963 dollars and 1974 dollars was as follows:

Fiscal Year	1963 Dollars ($000)	1974 Dollars ($000)
1963/64	1,728,883	2,854,299
1964/65	1,518,611	2,507,151
1965/66	1,515,276	2,501,644
1966/67	1,515,410	2,501,866
1967/68	1,558,966	2,573,775
1968/69	1,505,030	2,484,728
1969/70	1,461,111	2,412,221
1970/71	1,452,520	2,398,037
1971/72	1,455,882	2,403,589
1972/73	1,447,977	2,390,537
1973/74	1,501,149	2,478,322
1974/75	1,519,151	2,507,983

(b) The dollar value was based on the Consumer Price Index as provided by Statistics Canada, converted from calendar years to fiscal years and adjusted from a 1961 base to a fiscal year 1963/64 base.

CNR—SALE OF HOTELS

Question No. 1,346—**Mr. Orlikow:**

1. Is CNR contemplating the sale, in whole or in part, of hotels now owned and, if so, which hotels are being considered for sale and to which corporations, Canadian or foreign-controlled?

2. What would be the sale price of the hotels sold?

3. Would the CNR maintain any say in the manner in which the hotels would be managed?

4. Has the future of the present employees of CNR hotels, as to seniority, future employment, etc., been discussed with the prospective purchasers of the hotels and the unions representing the employees?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. CN is contemplating, subject to necessary approvals, the sale or lease of its hotels to a Canadian company yet to be formed in which CN and Air Canada together would own a majority of the shares. It would be a Canadian company owning or leasing hotels in Canada and abroad. The other parties would be Trizec and Hilton International.

2. Not yet determined.

3. The policies of the new company would be determined by the shareholders, including CN.

4. Yes.

Order Paper Questions

SALES TAX ON CLOTHING AND FOOTWEAR

Question No. 1,369—**Mr. Robinson:**

1. What was the total amount of sales tax eliminated on clothing and footwear for the year 1974?

2. What is the estimated sales tax savings for consumers anticipated to be in 1975?

Hon. John N. Turner (Minister of Finance): 1. The removal of federal sales tax from clothing and footwear, effective July 16, 1974, will reduce revenues by $280 million over the 12 month period beginning July 16.

2. For the fiscal year 1975-76 the estimated revenue loss and consequent tax savings to consumers from this exemption will amount to $310 million.

BUDGETARY ALLOTMENT FOR 1975 CAMPAIGN "WHY NOT"

Question No. 1,512—**Mr. Friesen:**

1. What is the budgetary allotment for the 1975 campaign "Why not?" sponsored by the Minister responsible for the Status of Women for International Women's Year?

2. What is the breakdown of that budget regarding (a) television advertising (b) newspaper advertising (c) brochures, pamphlets etc. (d) buttons (e) administrative costs?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. $855,436. ($725,000 for the advertising campaign); ($130,436 for materials in response to individual coupon and letter requests).

2. (a) $159,677.00; (b) $314,337.00; (c) $75,719.00; (d) $19,857.00; (e) $34,860 including wages, envelopes, labels and postage.

AIR CANADA—RETIREMENT OF SENIOR LEVEL EMPLOYEES

Question No. 1,536—**Mr. Broadbent:**

How many Air Canada employees at the senior management level (a) took early retirement (b) were dismissed during each year 1970-1971 to 1973-1974?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows:

Early Retirements	
1970	5
1971	7
1972	22
1973	6
1974	2
Total	42—Early Retirements
Dismissals	0

OLD AGE SECURITY PENSION RECIPIENTS

Question No. 1,541—**Mr. Knowles (Winnipeg North Centre):**

1. How many persons in Canada, and in each province, are in receipt of the Old Age Security pension?

Order Paper Questions

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

3. Of those receiving the Guaranteed Income Supplement, how many persons in Canada, and in each province, are receiving the full amount?

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

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

Hon. Marc Lalonde (Minister of National Health and Welfare):

All figures refer to the number of Pensioners and average payments in December 1974

Parts 1, 2 and 3

	(1) Old Age Security Recipients	(2) Guaranteed Income Supplement Recipients	(3) Maximum Guaranteed Income Supplement Recipients
Newfoundland	34,769	29,257	20,099
Prince Edward Island	12,998	9,826	4,959
Nova Scotia	77,166	52,049	26,136
New Brunswick	57,087	39,506	20,205
Quebec	459,302	286,975	148,154
Ontario	694,594	337,503	120,228
Manitoba	102,524	62,317	24,523
Saskatchewan	99,956	58,544	23,741
Alberta	128,852	76,768	25,857
British Columbia	224,060	113,017	48,799
Northwest Territories	969	768	492
Yukon	537	311	180
Total	1,892,454	1,077,441	463,373

Part 4

	Average Guaranteed Income Supplement Paid to Recipients (to the nearest cent)
Newfoundland	$ 72.21
Prince Edward Island	69.46
Nova Scotia	67.67
New Brunswick	68.95
Quebec	69.12
Ontario	64.35
Manitoba	65.03
Saskatchewan	66.98
Alberta	65.58
British Columbia	64.35
Northwest Territories	56.45
Yukon	73.55
National Average	$ 66.48

Part 5

(a) Yes

(b)

Initiating Province	Number of Old Age Security Pensioners living outside of Canada
Newfoundland	127
Prince Edward Island	81
Nova Scotia	472
New Brunswick	340
Quebec	3,338
Ontario	6,296
Manitoba	586
Saskatchewan	434
Alberta, Northwest & Yukon Territories	726
British Columbia	2,572
Total	14,972

[Mr. Knowles (Winnipeg North Centre).]

RETIRED PUBLIC SERVANTS IN RECEIPT OF PENSIONS

Question No. 1,542—Mr. Knowles (Winnipeg North Centre):

1. How many retired federal civil servants are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets (a) less than $20.00 per month (b) $20.00 to $29.99 per month (c) $30.00 to $39.99 per month (d) $40.00 to $49.99 per month (e) $50.00 to $59.99 per month (f) $60.00 to $69.99 per month (g) $70.00 to $79.99 per month (h) $80.00 to $89.99 per month (i) $90.00 to $99.99 per month (j) $100.00 to 149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $249.99 per month (m) $250.00 to $299.99 per month (n) $300.00 per month and over?

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

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

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

Hon. Jean Chrétien (President of Treasury Board): 1, 2 and 3.:

1.		2.		3. Province	Annuitants	Widows
(a)	173	(a)	351			
(b)	275	(b)	1,154			
(c)	674	(c)	1,587	Nfld.	713	302
(d)	1,218	(d)	1,615	P.E.I.	377	165
(e)	1,425	(e)	1,543	N.S.	3,215	1,414
(f)	1,565	(f)	1,533	N.B.	1,765	773
(g)	1,589	(g)	1,310	Que.	8,795	4,637
(h)	1,630	(h)	1,262	Ont.	22,712	10,162
(i)	1,595	(i)	1,236	Man.	2,589	1,056
(j)	7,832	(j)	5,147	Sask.	1,608	661
(k)	6,471	(k)	3,338	Alta.	3,168	1,219
(l)	5,322	(l)	1,798	B.C.	8,510	3,136
(m)	4,557	(m)	849	Terr.	62	23
(n)	20,012	(n)	1,261	Outside Canada	824	436

4. In 1973-74, 75 orphans' benefits were paid in an average amount of $299.29 per annum.

PUBLIC SERVICE PENSION ADJUSTMENT ACT, 1959

Question No. 1,544—Mr. Knowles (Winnipeg North Centre):

1. In each year since the Public Service Pension Adjustment Act of 1959 was passed, how many persons have received payments thereunder?

2. In each of the above years, what was the total amount paid out under the said Act?

3. In each of the above years, what was the average amount paid under the said Act (a) to retired public servants (b) to widows (c) to others?

4. In each of the last five years, either calendar or financial, for which statistics are available, how many pensions under the Public Service Superannuation Act (a) to retired public servants (b) to widows of public servants or widows of retired public servants, have been discontinued because of the death of the superannuate?

Hon. Jean Chrétien (President of Treasury Board):

1.

Year	Number
1959–60	14,311
1960–61	13,885
1961–62	12,533
1962–63	11,709
1963–64	10,852
1964–65	10,077
1965–66	9,078
1966–67	8,162
1967–68	7,483
1968–69	6,860
1969–70	6,651
1970–71	6,474
1971–72	5,793
1972–73	4,647
1973–74	3,901

2.

Year	Amount
1959–60	$3,112,231
1960–61	2,956,515
1961–62	2,817,263
1962–63	2,657,706
1963–64	2,504,503
1964–65	2,344,711
1965–66	2,236,212
1966–67	2,038,329
1967–68	1,905,478
1968–69	1,777,869
1969–70	1,641,304
1970–71	1,515,000
1971–72	1,368,879
1972–73	1,000,941
1973–74	838,715

3.

Year	(a) Public Servants	(b) Widows	(c) Others
1959–60	$226.72	$124.88	$12.32
1960–61	225.43	124.42	11.79
1961–62	222.01	123.92	10.35
1962–63	220.60	123.59	10.06
1963–64	220.26	123.75	7.99
1964–65	217.94	123.08	6.19
1965–66	216.03	122.69	7.13
1966–67	212.52	122.64	5.93
1967–68	210.27	121.27	6.11
1968–69	208.19	119.21	4.56
1969–70	196.52	125.05	5.79
1970–71	184.83	127.87	—
1971–72	177.51	130.19	—
1972–73	174.19	128.47	—
1973–74	163.05	114.27	—

4.

Year	(a) Retired Public Servants	(b) Widows
1969–70	1,899	508
1970–71	2,060	577
1971–72	2,269	588
1972–73	3,081	687
1973–74	2,488	750

SUPPLEMENTARY RETIREMENT BENEFITS ACCOUNT

Question No. 1,545—Mr. Knowles (Winnipeg North Centre):

1. What was the total amount contributed (a) by employees (b) by the government, to the Supplementary Retirement Benefits Account during the year from April 1, 1973 to March 31, 1974?

2. What was the total amount paid out of the Supplementary Retirement Benefits Account, during the year from April 1, 1973 to March 31, 1974, in the form of pension supplements and to how many individuals were such pension supplements paid at any time during that period?

3. What was the balance at credit in the Supplementary Retirement Benefits Account (a) as at March 31, 1973 (b) as at March 31, 1974?

Hon. Jean Chrétien (President of Treasury Board): 1. (a) $18,197,923; (b) $18,197,923.

2. $34,015,007 was paid out in pension supplements. There were 94,676 recipients at March 31, 1974. Of this, $22,844,252 was charged to the account and $11,170,755 was charged to the Consolidated Revenue Fund.

3. (a) $21,427,021; (b) $34,864,551.

AIR CANADA FLIGHT 616

Question No. 1,558—Mr. Blackburn:

With reference to Air Canada Flight 616 from Ottawa to Halifax on Monday, February 3, 1975 (a) how many passengers were on the flight (b) how many were travelling (i) first-class (ii) economy class (c) how many were holders of Air Canada passes?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: (a) 39, (b) (i) 10, (ii) 29; (c) 2.

NATIONAL DEBT

Question No. 1,568—Mr. Lambert (Bellechasse):

1. What was (a) the national debt on July 1, 1967 (b) the debt of each province?

2. On July 1, 1974, what was the debt of (a) Canada (b) each province?

Hon. John N. Turner (Minister of Finance): 1 and 2.:

	1967	1973 (Millions)	1974
National Debt	30,340.2	51,715.6	55,557.0
Provincial Debt*			
Newfoundland	584.7	1,222.7	

Order Paper Questions

	1967	1973 (Millions)	1974
National Debt	30,340.2	51,715.6	55,557.0
Provincial Debt*			
Prince Edward Island	112.0	136.9	
Nova Scotia	557.2	1,299.0	
New Brunswick	681.6	977.6	
Province of Quebec	5,005.2	7,988.6	
Ontario	5,561.3	10,817.4	
Manitoba	913.4	1,719.9	
Saskatchewan	658.8	749.5	
Alberta	887.9	1,977.8	
British Columbia	2,034.0	3,069.1	
Yukon	11.8	39.9	
Northwest Territories	15.0	85.3	

*These figures represent total direct and indirect debt minus sinking funds. Figures were not yet available for 1974 so year-end numbers for 1973 were substituted.

LOANS TO CUBA

Question No. 1,592—Mr. Whittaker:

Has the government provided Cuba with $50 million interest free and, if so, what programmes has it in mind to offer similiar assistance to Canadians?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No.

CANADA'S NATIONAL DEBT

Question No. 1,593—Mr. Whittaker:

1. What was Canada's National Debt 10 years ago?

2. (a) What is the present debt (b) what is the annual interest (c) what attempts, if any, is the government making to clear up this debt?

Hon. John N. Turner (Minister of Finance): 1. Canada's national debt in 1965 was $30,340,000,000.

2. (a) The national debt in 1974 was $55,557,000,000; (b) The annual interest was 6.47% or $3,594,537,900; (c) When economic, fiscal and financial market conditions are favourable, the government attempts to reduce this debt.

BICULTURALISM AND BILINGUALISM GRANTS, MANITOBA, 1968-74

Question No. 1,601—Mr. Epp:

What was the total amount given to Manitoba federal constituencies under the provisions of biculturalism and bilingualism for each year 1968 to 1974 and what was the amount for each such constituency?

Hon. James Hugh Faulkner (Secretary of State): Language Programmes Branch: The total payments made to the province of Manitoba by the Language Programmes Branch of the Department of the Secretary of State, since 1968 to the end of the fiscal year 1973-74, for bilingualism development amount to $5,827,656. The breakdown by fiscal year is as follows: 1970-71, $930,757; 1971-72, $1,190,-714; 1972-73, $1,281,209; 1973-74, $2,424,976.

[Mr. Turner (Ottawa-Carleton).]

Programme for Official Language Minority Groups

The Programme for Official Language Minority Groups has accorded the following grants:

Year	Constituency	Amount	Total
1969–70	St. Boniface	$ 125,440	$ 125,440
1970–71	St. Boniface	166,020	
	*Winnipeg	18,150	184,170
1971–72	St. Boniface	216,600	
	*Winnipeg	1,600	218,200
1972–73	St. Boniface	240,492	
	Provencher	9,000	
	*Winnipeg	4,059	253,551
1973–74	St. Boniface	301,710	
	Provencher	11,500	
	Lisgar	5,500	
	Winnipeg North	4,400	
	Dauphin	1,500	
	Marquette	750	325,360
1974–75	St. Boniface	283,800	
	Provencher	14,000	
	Lisgar	4,400	
	Winnipeg North	2,800	
	Dauphin	500	
	Marquette	1,300	
	Portage	2,000	308,800
		Total:	$ 1,415,521

*It is impossible to give a breakdown of these amounts on a constituency basis.

NUMBER OF CANADIAN AUTHORS CONTRIBUTING TO CANADIAN PUBLICATIONS

Question No. 1,680—Mr. Brisco:

How many Canadian authors have been contributing to Canadian periodicals, magazines or publishing houses in (a) the past twelve months (b) the past twenty-four months?

Hon. James Hugh Faulkner (Secretary of State): The government, and specifically the Department of the Secretary of State, while concerned with an increased production by Canadian authors, has no record of the number of works submitted to, and/or eventually published by the Canadian periodical and book publishing industries as a whole.

1972 INCOME TAX REASSESSMENTS

Question No. 1,703—Mr. Herbert:

How many persons claiming refunds from revised assessments of their 1972 tax returns, which revisions were requested after completion of the assessment of their 1973 tax returns, have still to receive their 1972 tax return reassessment?

Hon. Ron Basford (Minister of National Revenue): As of March 18, 1975, the department had in inventory 520 taxpayer-requested adjustments relating to 1972 and prior year income tax returns. Of this number, 466 were received after February 1, 1975. Because the department

does not record the reasons for requested adjustments, it is not possible to say how many of these requests were made as a result of assessments of 1973 returns.

CHANGES IN VOLUME OF MONEY IN CANADA

Question No. 1,704—Mr. Beaudoin:

Was there any change in the volume of money in Canada and, if so, (a) on what date (b) how did it come about (c) what were the effects on chartered banks?

Hon. John N. Turner (Minister of Finance): There are various forms of money in Canada including currency (coins and Bank of Canada notes) and the different types of deposit claims on chartered banks as well as other financial institutions. The table below shows the absolute amounts and rates of growth of three common definitions of the "money supply" during the last five years: (1) Currency and demand deposits—notes and coin outside banks plus chartered bank demand deposits (net of estimated Canadian dollar items in transit); (2) Currency and Privately-held Canadian dollar deposits—notes and coin outside banks plus total chartered bank Canadian dollar deposits less Government of Canada deposits; (3) Currency and total Canadian dollar deposits—including Government of Canada deposits.

Currency and Canadian Dollar Chartered Bank Deposits

	Currency and demand deposits	Currency and privately-held Canadian dollar deposits	Currency and total Canadian dollar deposits
Outstanding amount. Billions of dollars			
Fourth quarters:			
1970	9.4	30.9	31.7
1971	11.0	35.5	37.5
1972	12.5	41.2	42.9
1973	13.9	48.8	50.0
1974	14.8	57.0	60.7
Latest 3 months[1]	15.7	59.4	63.0
Percentage increase. From same period year earlier:			
1970	4	9	9
1971	17	16	18
1972	14	16	15
1973	12	15	16
1974	7	19	21
Latest 3 months[1]	8	18	22

[1]Preliminary data for the period December 1974 to February 1975.

The behaviour of currency and bank deposits is discussed in the Annual Reports of the Governor of the Bank of Canada to the Minister of Finance.

PORT OF HALIFAX—SHED RENTALS POLICY

Question No. 1,706—Mr. Forrestall:

Will the National Harbours Board defer any decisions respecting shed rentals policy for the Port of Halifax until such time as it has turned over the administration of the assets and employee force of the Board to the local Port Authority, as indicated in the press to have been done in the Ports of Montreal and Vancouver and, if not, for what reason?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows: Not applicable. The National Harbours Board has not transferred administration of its assets and employee force to local port authorities in the ports of Montreal and Vancouver and has no intention of doing so at any other ports under its administration.

*NATIONAL HARBOURS BOARD—SHED RENTAL SYSTEM

Question No. 1,707—Mr. Forrestall:

1. Does the National Harbours Board intend to introduce a shed rental system in the Port of Halifax-Dartmouth and, if so, on what date and for what reasons?

2. Is the National Harbours Board aware of the views on the imposition of any such system held by all members of the community, such as the Shipping Federation of Canada, agents, operators, stevedoring concerns, local unions and elected officials, including the Mayors of Halifax and Dartmouth and, if not, for what reason?

3. Is this system being phased out of use in the Port of Montreal or has it been otherwise mitigated in that Port in the last 16 months?

4. How much money does the Board anticipate it will gain from the imposition of such a system in the Port of Halifax-Dartmouth?

5. Has the Board conducted any studies as to the estimated tonnage cost assessment that such a policy would necessitate if imposed on the Port of Halifax-Dartmouth and (a) if so, what is the estimate (b) if not, for what reason?

6. What advantage to the River Ports or to the Port of Saint John would accrue from the imposition of a shed rental policy on the Port of Halifax-Dartmouth?

7. What advantage would accrue to the Port of Halifax-Dartmouth from such a system of shed rental?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Because of the length of the answer to starred question 1707, I wonder if the answer could be printed in *Hansard* as if it had been answered orally.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The above answer reads as follows:*]

The National Harbours Board advises as follows: 1. The National Harbours Board has met with groups of port users to discuss the possible implementation of a policy with respect to the operation of marine terminals at eastern Canadian ports. The policy was developed to provide better utilization of existing facilities and improve control of their use.

2. The purposes of the meetings which have been held with interested parties was to obtain the views of users which views have been freely expressed by those in favour and opposed to the policy.

3. The policy contains some of the principles which have been in use at both Montreal and Trois-Rivières and will apply to all ports in eastern Canada equally.

Order Paper Questions

4. Better utilization of facilities should improve the revenue position and the amount of increased revenues will depend entirely on the degree of improvement in utilization.

5. (a) The National Harbours Board has studied the effect of the policy on port charges to ensure that they are competitive with United States ports. (b) Not applicable.

6. There will be no benefit to one port in eastern Canada over another as the policy with respect to operating marine terminals will apply equally to all ports.

7. The policy with respect to operating marine terminals should result in greater throughput capacity and improved revenues through better utilization of facilities.

ANNUAL PRODUCTION OF PLUTONIUM

Question No. 1,731—**Mr. Francis:**

How much plutonium is produced annually as a by-product (a) by a standard commercial CANDU reactor (b) in all of Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows: (a) The exact amount depends somewhat on the design and operating history of the reactor. The rate of plutonium production for CANDU systems is in the range of 600 to 750 grams of plutonium isotopes per megawatt of electrical output per year. For the four 500-megawatt Pickering units operating at an 80 per cent capacity factor then annual plutonium production is 1,000 kilograms per year. This is midway in the range quoted. (b) Approximately 1,200 kilograms per annum.

CANADIAN NATIONAL COMMITTEE FOR HABITAT

Question No. 1,737—**Mr. Howie:**

How many persons were appointed to the Canadian National Committee for Habitat, what are their names and what remuneration will they receive?

Hon. Barney Danson (Minister of State for Urban Affairs): There have been 18 persons appointed to the Canadian National Committee for Habitat. They are: Senator Sidney L. Buckwold (Chairman); Dr. Hugh L. Keenleyside (Honorary Chairman); Mr. Claude Castonguay; Mr. Johnny Yes-No; Dr. Lloyd Axworthy; Mrs. Adrienne Clarkson; Mr. Guy Legault; Professor Meyer Brownstone; Mrs. Frances Innes; Mr. J. Gerald Godsoe Jr.; The Most Reverend J. N. MacNeil, R.A., J.C.D.; Mrs. Brenda Hayes; Mr. E. Gaboury; Professor P. J. Fitzpatrick; Mr. Rock Robertson (resigned June 1974); Senator F. M. Lawson (resigned June 1974); Dr. M. Kirby (resigned August 1974); Mr. Howard Paish (resigned October 1974); Committee members receive an honorarium of $100.00 per day and expenses while engaged in committee business.

NATIONAL DEFENCE—CAPITAL EXPENDITURES OF STAFF COLLEGES

Question No. 1,749—**Mr. McKinnon:**

For each fiscal year 1970-71 to date, what were the capital expenditures on the Canadian Forces Staff College, Toronto and the Staff School on Avenue Road, Toronto?

[Mr. Speaker.]

Hon. James Richardson (Minister of National Defence): 1. Construction engineering capital expenditures at the Canadian Forces Staff College, and the staff school at Toronto for the fiscal years 1970-71 to 1974-75 were as follows:

	Staff College ($000)	Staff School ($000)
1970/71	$ 55	Nil
1971/72	54	8
1972/73	53	Nil
1973/74	244	26
1974/75	315	Nil
Total	$721	$ 34

2. Other minor capital equipment expenditures for furniture and office items cannot be identified without detailed research.

NATIONAL DEFENCE—COST PER GRADUATING STUDENT AND PERCENTAGE STILL IN FORCES

Question No. 1,750—**Mr. McKinnon:**

1. What was the total cost per graduating student from each of the service colleges during each of the past five years?

2. What percentage of each graduating class, 1965 through 1969, are still serving in the Canadian Armed Forces?

Hon. James Richardson (Minister of National Defence): 1. The total cost per graduating student from each of the service colleges during each of the past five years is listed in below.

2. The percentage of each graduating class from 1965-1969 still serving in the Canadian Armed Forces is as follows:

Graduating Class	Percentage Still Serving
1965	45
1966	48
1967	52
1968	59
1969	66

Canadian Military Service Colleges
Costs per Graduating Student

	1969/70 Graduate $	1970/71 Graduate $	1971/72 Graduate $	1972/73 Graduate $	1973/74 Graduate $
Royal Military College (RMC)					
(a) Four Year RMC	N/A	48,500	53,400	57,500	62,600
(b) Three Year CMR + Two Year RMC	N/A	70,200	72,700	74,200	74,600
(c) Two Year RRMC + Two Year RMC	N/A	58,800	65,100	69,800	71,500

CNR—STATUS OF WOMEN

Question No. 1,754—**Mr. Cossitt:**

1. What is the total number of employees of Canadian National Railways and of this total, how many are women?

2. (a) What are the main job categories in which women are employed (b) how many women are there in each category (c) what percentage of the total does this represent in each category?

3. Has Canadian National taken note that this is International Women's Year and, if so, what plans does it have to increase the number of women employed under its jurisdiction?

Hon. Jean Marchand (Minister of Transport): The management of Canadian National Railways advises as follows: 1. The total number of employees of C.N.R. as at the end of December 1974 was 81,005. Of these 4,631 or 5.1 per cent were women.

2. The greater number of women are employed as clerks, typists, stenographers, keypunch operators, receptionists, telephone operators, secretaries and others. As at the end of December, 1974, the total number of employees engaged in clerical occupations was 15,011; the female clerical group totalled 3,675 or 24.4 per cent. In non-clerical occupations, 696 women or 1.3 per cent are included in the total non-clerical workforce of 53,673. Women in non-clerical occupations mostly work as support staff in hotels (cooks, waitresses, chamber maids, etc) and in other departments. In addition, there were 207 women out of a total of 8,805 employed in professional, technical, supervisory and administrative positions, including positions such as analysts, programmers, statisticians, accountants, librarians, personnel officers, supervisor, administrative assistants and others. They represent 2.4 per cent of the middle management employee group.

3. Following a study undertaken last year and coinciding with the International Women's Year, a program has been launched to improve the status and involvement of women in the company.

STE-ANNE-DE-BELLEVUE VETERANS HOSPITAL

Question No. 1,757—**Mr. Herbert:**

1. How many patients at Ste-Anne-de-Bellevue Veterans Hospital are considered to be (a) federal (b) provincial responsibility?

2. (a) How many patients does the government charge costs to the Quebec Government (b) what is the charge per patient (c) what is the average cost per patient?

3. What proportion of the total cost of operating the hospital is recovered from the Province of Quebec?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) 198; (b) 804.

2. (a) 524; (b) Active care—$35 a day, Chronic care—$25 a day; (c) $40.34 a day.

3.—28 per cent.

Order Paper Questions

ENERGY CONSERVATION ADVERTISEMENT

Question No. 1,769—**Mr. Cossitt:**

With reference to the full page advertisement appearing recently in various publications entitled "Why Canadians Should Start Saving Energy in 1975" (a) in how many publications did this appear (b) what was the total cost involved (c) what was the name of the advertising agency and the total advertising agency commission (d) were tenders or competitive presentations called for from various advertising agencies and (i) if so, from whom (ii) if not, for what reason?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: (a) The full page advertisement entitled "Why Canadians should start saving energy in 1975" has appeared in all daily newspapers across Canada as well as the *Financial Times* and the *Financial Post*. (b) The total cost of the advertisement is $87,000. (c) Vickers and Benson Limited. Since the advertisement was prepared largely within the Department of Energy, Mines and Resources, it was not handled by an advertising agency in the usual manner. The agency will not get a commission but a fee based on work done and overhead. (d) No. (i) Not applicable. (ii) Proposals from competitive advertising agencies are assessed on the basis of which presentation exhibits a feel for content and creativity that will obtain maximum results. In this case, content and creativity was prepared largely within the department's information branch. Therefore, in normal advertising terms there was no basis for proposals and a Canadian agency considered well structured to handle placement of a national program was selected.

ENERGY CONSERVATION ADVERTISEMENT

Question No. 1,770—**Mr. Cossitt:**

With reference to the full page advertisement appearing recently in various publications entitled "Why Canadians Should Start Saving Energy in 1975", what was the reason for the appearance in the advertisement of pictures of, and messages from, the Honourable Donald Macdonald, the Honourable John Turner and Prime Minister Pierre Trudeau (a) does this illustrate a new system of Troika leadership as practiced by the Soviet Union (b) was it designed primarily to portray the present Prime Minister with designated or expectant successors?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: In the advertisement entitled "Why Canadians should start saving energy in 1975" the messages of Hon. D. S. Macdonald, Hon. John Turner and Prime Minister Trudeau were used because each of them had made a significant statement about the need for Canada to conserve energy. Their pictures were used as it is a proven readership device to use the picture of a well-known person or persons to attract more attention to a message. (a) No. (b) As indicated the quotations and pictures were intended to convey the conservation message to all Canadians.

FARM IMPROVEMENT LOANS ACT, FISHERIES IMPROVEMENT LOANS ACT AND SMALL BUSINESSES LOANS ACT APPLICATIONS

Question No. 1,772—**Mr. Marshall:**

How many applications for loans were received from the Province of Newfoundland under the Farm Improvement Loans Act, the Fisheries

Improvement Loans Act and the Small Businesses Loans Act from January to December, 1974?

Hon. John N. Turner (Minister of Finance): Applications for loans under guaranteed loans plans are made directly to chartered banks and other designated lenders. Records are maintained centrally by the government only in respect of loans granted under the guarantee and no data is available on the number of applications submitted to lenders.

EQUALIZATION PAYMENTS

Question No. 1,775—**Mr. Reynolds:**

In the recent press release from the Treasury Board dated February 19, 1975, will the additional $414 million for other equalization payments be broken down by province as was the $1,986,000,000?

Hon. John N. Turner (Minister of Finance): The $414 million expenditure mentioned in the Treasury Board news release accompanying the 1975-76 Estimates refers to the expenditures itemized on page 8-18 of those Estimates. The expenditures consist of the following: Adjustments to prior years' equalization, $60,000,000; Part V payment, provincial share of tax paid, under Part IX of the Income Tax Act, $14,000,000; Part IV Payment, revenue guarantee, $340,000,000; Total, $414,000,000. A provincial breakdown of these payments is not presently available. Late in fiscal year 1975-76, information will become available from the public accounts of the provinces, from National Revenue, and from Statistics Canada which will allow a determination by province of these federal payments to be made.

*TELEVISION PROGRAMME—"SOME HONOURABLE MEMBERS"

Question No. 1,791—**Mr. Coates:**

1. How many programmes of "Some Honourable Members" have been viewed by audiences in the current television season?

2. (a) What is the format of the programme (b) was it designed to expose Members of Parliament, other than national leaders of political parties and Cabinet Ministers?

3. Has there been a change of policy regarding the format of the programmes since its inception and, if so, when was a decision reached on the change of format and who made the decision?

4. Since the start of the present season of programmes, on how many occasions were (a) Members of Parliament who were not party leaders or Cabinet Ministers participants in a specific programme (b) party leaders or Cabinet Ministers the sole participant (c) Cabinet Ministers and Members of Parliament together?

5. By party, what has been the time allotted to Members of all political parties during the present season of programmes?

6. What are the names of Members who participated on each of the programmes in the present season of programming?

7. Does the CBC monitor this programme from the point of view of guaranteeing a political balance and (a) if so, who does the monitoring (b) if not, for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Because of the length of the answer to starred question No. 1,791 I wonder if the answer could be printed in *Hansard* as if it had been answered orally.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The above answer reads as follows:*]

[Mr. Marshall.]

I am informed by the Canadian Broadcasting Corporation as follows: 1. Twenty-one.

2. (a) Discussion program between the moderator, Patrick Watson and one, two or three members of Parliament, sometimes supplemented by short pieces of film. (b) Yes.

3. Yes, the format was broadened for the current season to allow wider latitude in choosing guests. The program no longer is limited to using one member of each party as it had been the previous season. This decision was taken before the commencement of the current season by the responsible program officers in the CBC English TV network.

4. (a) 14 (including one Senator); (b) Six; (c) Two;

5. No time was allotted for members of all political parties. Liberals appeared on 16 programs, Progressive Conservatives on 13 (one of these was a Senator), New Democratic Party on nine, Social Credit on one.

6. Hon. Eugene F. Whelan, Simma Holt, Ray Hnatyshyn, Andy Hogan, James McGrath, Norm Cafik, Lorne Nystrom, Bill Rompkey, Jake Epp, John Rodriguez, Iona Campagnolo, Senator Grattan O'Leary, Peter Bawden, Robert Kaplan, Hon. Donald Macdonald, Hon. Alvin Hamilton, T. C. Douglas, John Roberts, Robert Wenman, W. A. Peters, Mark MacGuigan, Jack Marshall, Ed Broadbent, Hon. Robert L. Stanfield, Réal Caouette, Hon. Marc Lalonde, Ed Lumley, Elmer MacKay, Stuart Leggatt, Hon. Warren Allmand, Eldon Woolliams, Tony Abbott, Hon. Jean Marchand, Dean Whiteway, Les Benjamin, Hon. Otto Lang, Ron Huntington, Stanley Schumacher.

7. It is the expectation and record of this program series that it will reflect approximately the relative strengths of the parties. Its content is the responsibility of senior public affairs officers of the English TV network.

SPECIAL ADVISORY COMMITTEE TO CABINET ON SECURITY MATTERS

Question No. 1,809—**Mr. Rodriguez:**

1. What is the structure and membership of the Special Advisory Committee to the Cabinet on Security Matters?

2. How often does it meet?

3. What is its (a) legislative status (b) relationship to Cabinet Directive No. 35?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. The information requested is not returnable by the government. The membership, structure and procedures of interdepartmental committees are normally not made public.

3. The committee in question is not established pursuant to specific legislation but as a part of the normal processes of administration. It does not have a specific relationship to Cabinet Directive No. 35 but is advisory on policy and procedures relating to security generally.

OFFICIAL POSITION AND TITLE OF MR. C. S. YARNELL

Question No. 1,811—**Mr. Rodriguez:**

1. What is the official position and title of Mr. C. S. Yarnell?

2. What are his qualifications for the position he holds?

3. Has he ever been (a) a student (b) an instructor at the International Police Academy in Washington, D.C. and, if so (i) during what periods (ii) what positions did he hold with the CAF or any other government organization?

Hon. James Richardson (Minister of National Defence): 1. Colonel C. S. Yarnell is the director of security.

2. Colonel Yarnell was selected for the position because of his military training, experience and personal qualities.

3. (a) No; (b) No; (i) and (ii) Not applicable.

FISHERIES IMPROVEMENT LOANS ACT APPLICATIONS

Question No. 1,816—Mr. Wise:

For each year 1970 to 1973 (a) what were the total amounts of money lent (b) the average size of loans to applicants (c) the number of applications (i) received (ii) approved (iii) rejected by the chartered banks in the Province of Ontario under the Fisheries Improvement Loans Act?

Hon. John N. Turner (Minister of Finance):

Fisheries Improvement Loans Act
($'000)

Year*	(a) Total value of loans made $	(b) Average size of loan made $	(c) Ontario Applications (i) Received $	(ii) Approved $	(iii) Rejected $
1970/71	3,300	7.1		15	
1971/72	5,297	7.7	see	24	see
1972/73	7,070	7.8	note	17	note
1973/74	10,763	9.3	below	10	below
Total	25,430	8.2	—	66	—

NOTE: The number of applications received and rejected by chartered banks is not known. The Regulations require lenders to report only loans made.

*The loan year under this plan is the fiscal year – April 1 to March 31.

FARM IMPROVEMENT LOANS ACT APPLICATIONS

Question No. 1,817—Mr. Wise:

For each year 1970 to 1973 (a) what were the total amounts of money lent (b) the average size of loans to applicants (c) the number of applications (i) received (ii) approved (iii) rejected by the chartered banks in the Province of Ontario under the Farm Improvement Loans Act?

Hon. John N. Turner (Minister of Finance):

Farm Improvement Loans Act
($'000)

Year	(a) Total value of loans made $	(b) Average size of loans made $	(c) Ontario Applications (i) Received $	(ii) Approved $	(iii) Rejected $
1970	103,030	2.9	see	6,384	see
1971	147,429	3.2	note	7,535	note
1972	181,086	3.4	below	8,705	below
1973	230,265	4.0		9,382	
Total	661,810	3.4	—	32,005	—

NOTE: The number of applications received and rejected by chartered banks is not known. The Regulations require lenders to report only loans made.

SMALL BUSINESSES LOANS ACT APPLICATIONS

Question No. 1,818—Mr. Wise:

For each year 1970 to 1973 (a) what were the total amounts of money lent (b) the average size of loans to applicants (c) the number of applications (i) received (ii) approved (iii) rejected by the chartered banks in the Province of Ontario under the Small Businesses Loans Act?

Hon. John N. Turner (Minister of Finance):

Small Businesses Loans Act
($'000)

Year	(a) Total value of loans made $	(b) Average size of loans made $	(c) Ontario Applications (i) Received $	(ii) Approved $	(iii) Rejected $
1970	13,772	10.1	see	317	see
1971	22,268	10.5	note	469	note
1972	28,328	10.0	below	596	below
1973	31,644	10.3		597	
Total	96,013	10.2	—	1,979	—

NOTE: The number of applications received and rejected by chartered banks is not known. The Regulations require lenders to report only loans made.

SEIZURE OF SHIPMENT MANUFACTURED BY SEAGOING UNIFORM COMPANY

Question No. 1,826—Mr. Schumacher:

1. Did the Department of Consumer and Corporate Affairs recently seize a shipment of pants manufactured by Seagoing Uniform Company of New York en route for the firm of Fred Asher Ltd., in Vancouver, B.C.?

2. Was the reason for the seizure improper labelling and (a) if so, what was the nature of the impropriety (b) if not, what was the reason for the seizure?

3. (a) How many pairs of pants were seized (b) was this the entire shipment and, if not, what became of the balance of the shipment?

4. Were the pants disposed of and, if so (a) on whose authority (b) in what manner (c) at what location (d) by whom?

5. How many pairs of pants were actually destroyed and what was the value of such items?

6. Who bore the costs of (a) the items (b) the shipping (c) the disposal and in what amounts in each case?

7. Was any consideration given to turning the items over to (a) the needy (b) welfare services (c) Salvation Army (d) underprivileged countries and (i) if not, for what reason (ii) if so, for what reason were the items not so distributed?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. Yes the Department of Consumer and Corporate Affairs did seize a shipment of pants which were manufactured for Seagoing Uniform Company of New York in Mexico. They were not enroute. They were being sold by a subsidiary of Fred Asher Ltd. in Vancouver, British Columbia. The subsidiary was called Bootlegger and they were operating a warehouse-type outlet.

2. The reason for the seizure was improper labelling. They either had a non-permanent disclosure lable or an incomplete disclosure label. There was no address or identification of the manufacturer or importer. This is in violation of the Textile Labelling and Advertising Regulations, Sections 5 and 15 (b).

3. (a) A total of 2,120 pairs of navy cotton jeans were seized. (b) This was not the entire shipment. There were also a further 5,867 pairs which were destroyed along with the ones that were seized in order to recover the import duty that had been paid. It is believed that the original shipment was of approximately 10,000 pairs of jeans and that some 2,000 jeans were sold in the warehouse operation by Bootlegger stores before Consumer and Corporate Affairs enforcement action was taken.

4. (a) The pants were disposed of after the Fred Asher organization, through their customs brokers, requested a refund of the customs and excise duty. The authority to dispose of the goods was given by the Department of National Revenue, Customs and Excise. (b) The jeans were buried in the ground. (c) At Delta City Dump. (d) Presumably by municipal employees under customs supervision.

5. The total number of pants actually destroyed was 7,987 at a declared value of $5 each, totally $39,935.00 U.S.

6. (a) The items were shipped on consignement to the Fred Asher organization and not actually paid for. They were still owned by Seagoing Uniform Company of New York. (b) Fred Asher Ltd. paid the cost of the shipping not knowing what the shipment consisted of because they were not on order. Fred Asher Ltd. does quite a large amount of business with Seagoing Uniform Company, and had no reason to query the shipment until it was received. (c) The cost of the disposal was borne by Fred Asher Ltd. and this company is now in the process of reclaiming these shipping and disposal costs from Seagoing Uniform Company. At this time it is impossible to state the costs of disposal and how these were apportioned.

7. (i)(a), (b), (c), (d). Yes. Officers of the Department of Consumer and Corporate Affairs did suggest to Seagoing Uniform Company that the items be released to charity. (ii) The owners, the Seagoing Uniform Company, refused to release the items for such disposal, and insisted on their destruction. However, other pants (2,980 pairs) which were seized on the same date but which were part of another shipment and which were owned by the Fred Asher organization, were donated by Fred Asher Ltd. to the X-Kalay Foundation Society in Vancouver, a society for ex-convicts and families.

[Mr. Schumacher.]

IMMIGRATION REGULATIONS

Question No. 1,833—**Mr. Hnatyshyn:**

Are Members of Parliament entitled to obtain copies of immigration regulations and, if not, for what reason?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, they are published in the *Canada Gazette*.

NANISIVIK MINES

Question No. 1,850—**Mr. Towers:**

1. Did the government provide funds for Nanisivik Mines on Baffin Island and, if so (a) how much money was involved (b) was this a grant or a loan (c) if a loan, what was (i) the rate of interest stipulated and what security was furnished (ii) the term of the loan?

2. Is Nanisivik Mines still indebted to the government and, if so (a) what amount has been paid (b) what is the balance owing?

3. Who are the (a) owners (b) directors of the mine?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. The government is not providing funds for the development of the mine itself. However, funds will be provided for infrastructure facilities such as roads, airport and wharf and the townsite. (a) An estimated $18,335 million, of which $10,620 million will be recovered in the form of (i) user charges (wharf); (ii) ratepayers (townsite); and (iii) townsite development and housing loans (CMHC). The difference—$7,715 million is non-recoverable outlays will cover roads and the airport to serve Strathcona Sound as well as Arctic Bay, a nursing station and school at Strathcona Sound. In return for funds expended in infrastructure facilities the government of Canada will receive an 18 per cent equity interest in Nanisivik Mines Limited. (b) With the exception of CMHC townsite development and housing loans (estimated at $6,131 million and not yet approved) the government funding is neither a loan nor a grant. (c) (i) the rate of interest for CMHC loans will be the rates applicable at the time the application is approved and the security that will be furnished will be that of the real estate. (ii) Details on the terms of the CMHC loans have not yet been worked out.

2. No funds have yet been expended or provided to Nanisivik Mines Limited by the Government.

3. (a) The owners are Mineral Resources International Limited of Calgary, a public company, with 59.5 per cent, and Metallgesellschaft A.G. of Germany and Billiton B.V. of Holland, each with 11.25 per cent, and the Federal Government with 18 per cent. (b) The board of directors will be made up as follows: Representing, Mineral Resources International Ltd., 7; Government of Canada, 2; Metallgesellschaft A.G., 1; Billiton B.V., 1. The nominees for government directors are Mr. A. B. Yates, Director, Northern Policy and Program Planning Branch and Mr. Percy Pikoyak, Arctic Bay, N.W.T.

TESTS FOR BILINGUAL POSITIONS

Question No. 1,856—**Mr. Herbert:**

1. When a unilingual public servant wins a competition for a bilingual position, what standard is expected in written tests when such tests are deemed necessary?

2. Are examples of these tests available for the information of interested public servants and, if so, is the necessary standard or pass-mark also available?

3. Does this standard or pass-mark in written examinations vary according to the position to be filled by the person taking the test?

4. (a) How long can a unilingual person who has won a competition for a bilingual position and who fills that bilingual position while awaiting a second language instruction course, continue to work in a unilingual capacity in that position (b) is regular advancement applicable during this period?

5. Does a bilingual person who has passed a competition for a bilingual position and, who has received a letter that they are on the eligibility list, automatically exclude themself from subsequent promotion to unilingual positions while they are awaiting a bilingual opening and, if so, how many such persons are presently prevented from accepting unilingual positions?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. The language knowledge examination is administered to successful candidates of competitions for bilingual positions. To be appointed to a bilingual position, a candidate must meet the language requirements of the position at the level of language knowledge required for that position. If the successful candidate does not pass the language knowledge examination, he/she is conditionally appointed and sent on language training for a maximum period of twelve months or until able to pass the test at the required level for all factors evaluated, (i.e.) reading, writing, listening and speaking.

2. A Candidate's Guide is available to persons taking the language knowledge examination. This guide contains samples of questions similar to those contained in the examination. Candidates are informed of the standard required for the position in question, prior to taking the language knowledge examination.

3. Yes, the language standards for bilingual positions may vary from position to position. The level of language knowledge for each position is determined by the manager and approved by the Public Service Commission. The candidate must pass the language knowledge examination at the level approved for that position.

4. (a) When a unilingual candidate wins a competition for a bilingual position, he/she is appointed conditionally to the position and sent on continuous language training immediately upon appointment. The selected candidate does not perform the duties of the position prior to successful competition of language training. (b) The person is entitled to all statutory increases which would normally be received as if he/she were performing the duties of the position.

5. No, a bilingual person on an eligible list for appointment to a bilingual position is not excluded from subsequent promotion to unilingual positions. However this person must be qualified and be able to perform the duties of the position in the language required by the position.

Order Paper Questions

DEPARTMENT OF TRANSPORT CONTRACTS

Question No. 1,859—**Mr. Reynolds:**

1. (a) How many contracts does Consolidated Aviation Fueling and Services (Pacific) Limited have with the Department of Transport (b) what is the value of such contracts (c) on what date did they come into effect (d) on what date do they expire?

2. Does the Department have any contracts with Allied Maintenance Corporation and, if so (a) what is the value of such contracts (b) on what date did they come into effect (c) on what date do they expire?

3. Does the Department have any contracts with Consolidated Maintenance Services Limited and, if so (a) what is the value of such contracts (b) on what date did they come into effect (c) on what date do they expire?

Hon. Jean Marchand (Minister of Transport): 1. (a) None. (b), (c), and (d) not applicable.

2. No. (a), (b), (c) not applicable.

3. The Department of Transport has five contracts with Consolidated Maintenance Services Limited. (a) (i) $421,-778.38, (ii) $30,000.00; (iii) $152,688.15, (iv) $156,089.13, (v) $1,389,622.00; (b) (i) February 1, 1975, (ii) November 21, 1974, (iii) December 1, 1974, (iv) December 1, 1974, (v) March 1, 1975; (c) (i) January 31, 1977, (ii) June 30, 1975, (iii) November 30, 1977, (iv) November 30, 1977, (v) February 28, 1977.

AIR CANADA CALGARY ROUTE

Question No. 1,865—**Mr. Mazankowski:**

1. On what basis was Air Canada awarded the Calgary direct to San Francisco air route?

2. Has Air Canada made a profit or a loss on this route and what has been the size of this profit or loss?

Hon. Jean Marchand (Minister of Transport): The Ministry of Transport and Air Canada advise as follows: 1. The Foothills to California routes, of which Edmonton/Calgary-San Francisco is a part, were introduced into the Canadian route proposals to the United States in 1970 on the initiative of Air Canada and because of the considerable support shown by the municipalities concerned and the Alberta Government. By and large Alberta traffic to and from California had been controlled by United States airlines. It was believed that Air Canada would be in a strong position to recapture some of that market. The carrier's existing route network in the Canadian midwest would provide that Prairie provinces with convenient connecting flights and hence improved service to San Francisco. Finally assigning the route to Air Canada was intended to dispel the image of the carrier being principally an eastern Canada oriented airline.

2. This new route became operational only on December 15, 1974. It is still too early to fairly evaluate whether the route is making a profit or a loss, but it will continue to be monitored to ensure it is making a positive contribution to Air Canada's financial results.

AIR CANADA—CONTRACTS WITH SUNSET CREST LTD.

Question No. 1,866—**Mr. Mazankowski:**

1. What are the details of the various contracts entered into by Air Canada with Sunset Crest Ltd. of the Barbados?

2. Who approved the contracts and what is the length of each?

Order Paper Questions

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1 and 2. The information requested is of a proprietary nature and Air Canada believes it should not be made public for competitive reasons.

AIR CANADA—OPERATION OF HOTELS OUTSIDE CANADA

Question No. 1,871—**Mr. Mazankowski:**

1. Since Subsection (j) of Section 13 of the Air Canada Act only allows Air Canada to own and operate hotels in Canada, under what authority is Air Canada negotiating with Hilton, Trizec and CNR to become part of a consortium which would own and operate hotels outside of Canada?

2. If Air Canada becomes part of this consortium, what safeguards are there that Air Canada will receive sufficient prime booking dates in Hilton's overseas hotels in the high season, especially in light of the fact that Hilton is owned by Trans-World Airways?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. The airline hopes that certain of the constraints imposed by the Air Canada Act will one day be removed to give the national carrier the means to be competitive with state-owned carriers such as British Airways and Air France, and such privately-owned carriers as Canadian Pacific Air, particularly with respect to the ownership and operation of hotels. Air Canada is an interested party in the present discussions between Canadian National, Hilton and Trizec; but its participation in any consortium would be subject to government approval.

2. Should Air Canada become part of any such consortium, the airline would expect the same considerations and safeguards as normally prevail between other airlines and their subsidiary or associated hotel companies.

AIR CANADA—Mr. YVES MÉNARD, VICE-PRESIDENT OF MARKETING

Question No. 1,873—**Mr. Mazankowski:**

1. On what basis was Mr. Yves Ménard selected as a Vice-President in charge of marketing of Air Canada?

2. For what reason was it necessary to go outside of Air Canada employees to obtain a Vice-President, especially one who had no previous airline experience?

3. Is this an indication that there are no people qualified within Air Canada ranks to assure such a position?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. Mr. Ménard was a well known authority in the field of marketing when he joined Air Canada in 1970. His experience and qualities in that specialized industry were recognized throughout Canada and North America.

2. Marketing, as opposed to the sales function, is a relatively new discipline in the airline industry and in 1970 Air Canada searched both inside and outside the corporation to find an individual with the best possible qualifications. A thorough analysis of marketing executive managers then available led the airline to acquire the services of Mr. Ménard.

3. As a general policy, Air Canada endeavours to staff the majority of its key positions by promotion from within.

[Mr. Mazankowski.]

TRANSPORT—CONTRACT WITH CONSOLIDATED PLANT AIRPORT AND BUILDING HOLDING LIMITED (OR CORPORATION)

Question No. 1,886—**Mr. Reynolds:**

Does the Department of Transport have any contracts with Consolidated Plant Airport and Building Holding Limited (or Corporation) and, if so (a) what is the value of such contracts (b) on what date did they come into effect (c) on what date do they expire?

Hon. Jean Marchand (Minister of Transport): No. (a) not applicable; (b) not applicable; (c) not applicable.

"GREENPEACE III"—ASSISTANCE TO MR. DAVID McTAGGART

Question No. 1,887—**Mr. Macquarrie:**

1. What assistance is being given or will be provided for Mr. David McTaggart in his case before French courts in reference to the seizing of the ship *Green-peace III*?

2. What compensation has been provided Mr. McTaggart as a result of damage to his ship and expenses incurred in dealings with the Government of France consequent upon the seizure of the *Green-peace III*?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The Canadian Government, through the Canadian Embassy in Paris, has been and will continue actively to press the French Government for an acceptable out-of-court settlement. From the very beginning, the Canadian Government has taken the view that it could intervene directly with the French on Mr. McTaggart's behalf. Nevertheless, we have always considered that the normal course for him to follow, under international law, would be first to pursue the local legal remedies open to him under French law. In that context, the forthcoming hearing follows logically from Mr. McTaggart's earlier filing of action last summer to protect his prescriptive rights. We are keeping in close consultation with Mr. McTaggart and, further to his request, the Canadian Embassy is providing him with limited assistance of an essentially consular nature in connection with the presentation of his case before the courts.

2. The Canadian Government has not paid any compensation to Mr. McTaggart for any direct loss or damages or for any expenses incurred in dealings with the Government of France consequent upon the seizure of the *Green-peace III*. The Canadian Government did, however, on December 5, 1973, grant him an ex gratia payment of $12,000 which enabled him to retrieve his vessel from French Polynesia and to bring it to Vancouver.

LAND-BASED ELECTRONIC OR RADAR CONTROLS TO CONTROL SHIP TRAFFIC

Question No. 1,896—**Mr. McKinnon:**

1. What land-based electronic or radar controls are in place to control ship traffic in the (a) Straits of Juan de Fuca (b) Gulf of Georgia?

2. (a) In what location do incoming tankers or other deep-sea vessels pick up their pilots inbound from Cape Flattery (b) how far is this in nautical miles inbound from the entrance to the Straits of Juan de Fuca?

Hon. Jean Marchand (Minister of Transport): 1. (a) VHF and MF radio communication equipment are in place

at the Vancouver Traffic Management Centre to control ship traffic in the Straits of Juan de Fuca; (b) VHF and MF radio communication equipment are in place at the Vancouver Traffic Management Centre to control ship traffic in the Gulf of Georgia. This Centre is also equipped to conduct radar surveillance of vessel movements in the approaches to Vancouver Harbour and in the Harbour itself.

2. (a) Vessels in-bound from Cape Flattery destined for Canadian ports pick up their pilots at the Fairway Buoy off Brotchie Ledge near Victoria. (b) The Fairway Buoy is about 60 miles from the entrance to the Strait of Juan de Fuca.

TURNOVER OF NHB AUTHORITY TO MONTREAL PORT AUTHORITY

Question No. 1,899—**Mr. Forrestall:**

1. Has the National Harbours Board turned over any part of their authority to the Montreal Port Authority over any aspect of the operations in that Port and, if so (a) to what extent (b) on what date (c) what was the nature of the instrument, if any, used to accomplish this?

2. Is the instrument a public or secret document?

3. Is such a move contemplated for the Port of Halifax and, if so, on what date?

4. Has the same authority been given to the Port Authority of the Port of Halifax and, if not, for what reason?

5. Does the granting of powers to the Port Authority in Montreal and not given to the Ports of Halifax, Nova Scotia or Saint John, New Brunswick, tend to equalize the ports east of the Ottawa River and, if so, to what extent?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows: 1. The National Harbours Board has delegated some authority at the Port of Montreal to an Executive Committee. (a) With respect to day-to-day operations to a suitable degree considering the size of the port and its level of activity. (b) January 30, 1975. (c) Board Minute.

2. Internal and not a public document.

3. It is expected that the same principle will be extended to other large ports according to their size and level of activity. No definite date has been established for specific ports such as the Port of Halifax.

4. Implementation of the plan has not taken place at Halifax. Implementation will be in similar order to the dates on which the Port Authorities were originally established.

5. There has been no apparent disparity between any ports east of the Ottawa River in the short period since implementation of the plan commenced.

THOUSAND ISLANDS BRIDGE AUTHORITY

Question No. 1,902—**Mr. Cossitt:**

1. With reference to the Thousand Islands Bridge between Canada and the United States located on the Canadian side of the border in the Township of the Front of Leeds and Lansdowne County of Leeds, has the Secretary of State for External Affairs received a letter dated March 7, 1975 from Mr. Arnold Hamilton, Reeve of the Township of the Front of Leeds and Lansdowne, containing a motion of the Municipal Council requesting the government to agree to extension of the life of the Thousand Islands Bridge Authority to March, 1981 and, if so, will the government give this matter immediate attention and take into account the expressed opinions of the residents of the area as represented by their Municipal Council?

2. On what date will a decision be announced in regard to this matter?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. (a) Yes, (b) yes.

2. The government is not in a position to form a conclusion on this matter until the financial and engineering examinations of the Authority are completed. It is hoped, however, that the necessary information on which to base a decision will be available in the near future.

ATLANTIC FREIGHT ASSISTANCE ACT SUBSIDIES

Question No. 1,905—**Mr. Baldwin:**

1. For each year 1969 to 1974, what were the total amounts of subsidy payments per annum under the Atlantic Freight Assistance Act by the government through the Canadian Transport Commission to Atlantic trucking companies?

2. (a) For the same years, how many Atlantic trucking companies (outbound and intra) have received subsidies under this programme (b) how much of the subsidy is or was being paid to the Moffat Trucking Company of Newfoundland?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows; 1. 1969, $193,082; 1970, $1,450,907; 1971, $5,144,717; 1972, $10,206,791; 1973, $14,516,924; 1974, $20,257,336.

2. (a) 2,666; (b) $1,186,898.60.

INTERPOL—GOVERNMENT PAYMENTS

Question No. 1,914—**Mr. Beatty:**

1. By year since 1970, how much money has been paid by the government or its agencies to Interpol and what are the component costs involved?

2. What are the projected Canadian payments for the 1975-76 fiscal year and under what item or items in the estimates do the costs appear?

3. Is classified information relating to national security made available to Interpol?

4. What facilities are made available within Canada by the government for the use of Interpol?

5. What are the criteria for determining the type of information on individuals made available to foreign police agencies?

Hon. Warren Allmand (Solicitor General): 1. 1970, $30,695.00; 1971, $30,612.75; 1972, $31,497.81; 1973, $44,741.86; 1974, $56,400.00. The component costs are the operating expenses of Interpol Headquarters in Paris, France.

2. Costs are calculated on a calendar year basis. Costs for the calendar year 1975 are $75,248.00 and appear in the Royal Canadian Mounted Police 1974/75 Main Estimates, "X" Division, under item R.1.0.22 "other services".

3. No.

4. The facilities of all accredited Canadian police agencies.

5. Restricted to matters of a purely criminal nature. Article 3 of Interpol's constitution stipulates "it is strictly forbidden to undertake any intervention or activities of a political, military, religious or racial character".

Order Paper Questions

SUPPLY AND SERVICES—AUDIT REPORTS

Question No. 1,936—**Mr. Reynolds:**

Has Mr. Tevlin, Secretary of Supply Administration in the Department of Supply and Services refused a request for post contract for performance reviews and operational audit reports, as requested in a letter of January 15, 1975, and, if so, will the Minister provide the information?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Yes. In response to a letter of January 15, 1975 from Mr. Malcom Thorne for Mr. John Reynolds, M.P., Mr. Tevlin indicated that his request for past contract for performance reviews and operational audit reports would not be met. It is the current practice in industry as in government to restrict internal operational or management audit reports to management directly involved. Any break of this confidence would most certainly impair the efficiency of any audit.

CONTRACT AWARDED TO JLJ EXPLORATION CONSULTANT LTD., CALGARY

Question No. 1,957—**Mr. Reynolds:**

1. Was a contract awarded to JLJ Exploration Consultant Ltd., Calgary, Alberta for the provision of a study on oil and gas potential deposit in the West?

2. What are the terms of the contract to the degree of outlining what use this study is to have to the Department of Energy, Mines and Resources?

3. Was such information already available from the Petroleum Industry in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. Yes.

2. A study of the various exploration plays present in the plains area of Alberta, British Columbia, Saskatchewan and Manitoba, to assist in determination of the quantities of oil and gas present, both as proven reserves and as undiscovered potential. The objective of the study is to provide basic geologic data necessary for an assessment of oil and gas resources on a probabilistic-play basis and to investigate gas deliverability from proven connected and unconnected gas reserves.

3. No.

STUDY OF HARBOUR DEVELOPMENT, STEPHENVILLE, NFLD.

Question No. 2,037—**Mr. Marshall:**

Did the Department of Transport undertake a study of harbour development at Stephenville, Newfoundland and, if so (a) did consultation take place with the municipal authorities (b) has the report been made public?

Hon. Jean Marchand (Minister of Transport): The Ministry of Transport authorized in 1973 an engineering study for the construction of wood unloading facilities to be provided for Labrador Linerboard Limited. This study was completed in March, 1974, and resulted in the construction and completion by Labrador Linerboard Limited of a steel sheet pile cell dolphin wharf on the south side of Stephenville Harbour. The Ministry has not undertaken a comprehensive study of harbour development at Stephenville but at the request of the Province of Newfoundland and Labrador Linerboard Limited is contemplating a study of an extension of the present public wharf, and has had extensive consultation with the Province and the Company, but not with the municipality on this matter.

[Mr. Allmand.]

THOUSAND ISLANDS BRIDGE AUTHORITY

Question No. 2,040—**Mr. Cossitt:**

1. With reference to the Thousand Islands Bridge between Canada and the United States located on the Canadian side of the border in the Township of the Front of Leeds and Lansdowne, County of Leeds, has the Secretary of State for External Affairs received a letter dated March 12, 1975 from Mr. Ian Stephenson, President of the Brockville Chamber of Commerce, containing the views of the Chamber of Commerce requesting the government to agree to extension of the life of the Thousand Islands Bridge Authority to March, 1981 and, if so, will the government give this matter immediate attention and take into account the expressed opinions of the residents of the area as represented by the Brockville Chamber of Commerce?

2. On what date will a decision be announced in regard to this matter?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. (a) Yes; (b) yes.

2. The government is not in a position to form a conclusion on this matter until the financial and engineering examinations of the Authority are completed. It is hoped, however, that the necessary information on which to base a decision will be available in the near future.

COST OF MARLER AND DESJARDINS REPORT

Question No. 2,087—**Mr. McKay:**

What was the total cost of the (a) Marler Report (b) Desjardins Report?

Hon. Jean Marchand (Minister of Transport): (a) $9,230.83; (b) $8,996.15. These sums include the investigation fees and expenses but do not include any possible costs to the Laurentian Pilotage Authority or other interested parties.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

CONTRIBUTIONS BY FEDERAL DEPARTMENTS TO THE TORONTO AND VANCOUVER EXHIBITIONS

Question No. 84—**Mr. Fortin:**

What were the expenses or contributions made by any federal department for the Toronto and Vancouver Exhibitions, each year since 1969?

Return tabled.

GOVERNMENT INTEREST IN PINETREE RADAR SITE

Question No. 724—**Mr. Marshall:**

1. What interest does the government have in the property located in Western Newfoundland known as Pinetree Radar Site, which was left by the American Government after the phase-out of the Ernest Harmon Air Force Base?

2. What is the nature of the interest, if any, of (a) the Department of National Defence (b) the Department of Transport (c) Telesat Canada (d) RCMP (e) the Department of Public Works in acquiring property at the location?

3. Is it the intention of the government to turn the Pinetree Radar Site over to the local communities and, if so, what action has been taken in this regard?

Return tabled.

ADVERTISING COSTS FOR DEPARTMENT OF LABOUR AND INFORMATION CANADA

Question No. 1,340—**Mr. Huntington:**

1. What was the total cost of advertising in (a) the Department of Labour (b) Information Canada for the years 1972-73 and 1973-74?

2. What was the breakdown of the programmes against the total cost of advertising for these years?

Return tabled.

ENERGY CONSERVATION ADVERTISEMENT, MONTREAL "GAZETTE"

Question No. 1,851—**Mr. Towers:**

1. (a) What newspapers carried the full-page advertisement on energy conservation which appeared in the *Montreal Gazette* on February 26, 1975 (b) how many editions of each paper will publish the ad?

2. What other forms are being used to publicize the ad?

3. What will be the total cost of this advertising in all forms of publicity?

4. On what date will publication of the ad terminate?

Return tabled.

● (1500)

Mr. Speaker: Before leaving the subject of questions on the order paper, may I suggest to the House that the proposed change in providing for the daily presentation of replies to questions on the order paper will entail an alteration in the printing of the order paper. Presently, notice of questions as received is printed daily on the notice paper and a consolidation of all questions is printed on Mondays, with a listing of question numbers on Wednesdays. In order to cut down or to eliminate what may be considered as superfluous printing, I suggest that in future the notice of written questions be printed daily as received, and that the consolidated notice of written questions be printed but once a week, on Mondays. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed, from Wednesday, March 19, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-8, to establish a national petroleum company, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Petro-Canada

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, this is my first opportunity to make a few remarks on Bill C-8 to establish a national petroleum company. The short title of the act is to be the Petro-Canada Act. The government, under this act, will seek authority to establish a Crown corporation to be known as Petro-Canada.

I hope the first ministers' conference this week will do great things for our resource industries. I hope the first ministers will arrive at important decisions to the benefit of all Canadians. I think this conference will become a highlight of our system of confederation and I hope we shall see consultation, instead of confrontation, involving federal and provincial constitutional rights.

In considering Bill C-8 I have talked to personnel of the oil companies—of the majors, as it were. What is their position? Although they do not endorse a national corporation for oil in Canada, they are not opposed to it. Why not, Mr. Speaker? They contend it will not interfere with their business; it will not do much in the field of exploration; it will not do much except soak up taxpayers' money: it will become, as some have described it, a tax sink offering no competition in the field of exploration. The consensus as I understand it is that the corporation will be another operation costing taxpayers many millions of dollars.

Let me point out that in no part of the world, so far as I am aware, has a Crown corporation of the type we are setting up been successful in bringing about the sort of development we envisage. Why should they be successful? After all, they do not use their own high-risk capital in exploring for oil and gas, and Crown corporations are not subject to the discipline of private corporations. I therefore wish to deal with this subject strictly from the taxpayer's, the Canadian's point of view.

Why should I, or for that matter why should anyone oppose the setting up of a Crown corporation in respect of oil? The hon. member for Don Valley (Mr. Gillies) and the hon. member for Regina East (Mr. Balfour) have set out clearly the weaknesses of the bill we are debating and the weaknesses of the arguments promoting the formation of a Crown corporation for oil to be known as Petro-Canada. I am opposed to the establishment of a Crown corporation for oil for the following reasons, but before I give the details let me make one thing clear: there is a place for Crown corporations in our system but it is not in the high-risk capital business.

The record will show, I think, that the proposed Crown corporation, like others, will be highly inefficient. Let us consider some other Crown corporations. The government has agreed to erase a $3.5 billion debt incurred by CNR, Air Canada and the St. Lawrence Seaway. That $3.5 billion is taxpayers' money which has not earned interest. It could have earned interest had it been invested in the private sector. The seaway is a different cup of tea, of course. But if the private sector had run up such an enormous debt, would it have been able to write it off? The private sector would not be able to write off $3.5 billion of taxes owed. Such a large debt could only be created by inefficiency, lack of knowledge and lack of drive.

When the government backs an enterprise, what incentive does it provide to make the enterprise pay? You cannot fire the employees or change the president without

cabinet consent. In my opinion, the proposed corporation will become nothing but a cesspool of political influence and involvement, all at the taxpayers' expense. So one can see what happens when Crown corporations enter high-risk businesses; they run up $3.5 billion in debts. If they were companies in the private sector they would have to file for bankruptcy or the directors would be asked to account for the $3.5 billion debt. But when Crown corporations incur debt, the government writes it off. As I say, what incentive is there to make Crown corporations paying propositions? You cannot fire employees and you cannot fire the president without cabinet consent. I repeat, the proposed corporation will become nothing but a cesspool of political influence and involvement. It will not provide the answer: that is, cheap oil for the consumer wherever he may live in Canada.

What is so sacred about Crown corporations? They always cost the taxpayer money. In the question period an hon. member mentioned the CBC. There were more CBC personnel covering the Olympic Games in Mexico than Canadian athletes participating. Also, many CBC personnel are to cover the Prime Minister's forthcoming tour.

The proposed company is to be given wide borrowing powers. Clause 22(1) provides:

> Subject to section 23 and upon the recommendation of the minister and the Minister of Finance, the governor in council may, when so requested by the corporation, from time to time authorize the Minister of Finance to advance to the corporation, out of the Consolidated Revenue Fund, amounts
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> (*a*) by way of loans on such terms and conditions as the governor in council may determine; or
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> (*b*) by way of purchases of preferred shares to which may be attached such rights, restrictions, conditions or limitations as the governor in council may determine.

Clearly, the corporation is to be given wide borrowing powers. Presumably, its debts will be added to the $3.5 billion owed by the Crown corporations I have mentioned. Corporate mistakes which will be made in exploration, development, processing and refining, buying and selling, will all be charged to the poor taxpayer. The unfortunate taxpayer has not the say nor the power of the shareholders of a private corporation. The taxpayer is kept in the dark and therefore has no direct interest in the matter: he has no say with regard to his money going into the corporation. The government, through the budget or some other means, increases taxes. The moneys from those taxes are loaned to the corporation even though it may make mistakes in exploration, development or processing. Compare that to the corporate structure of the private sector. Therefore, I say the taxpayer is kept in the dark and has no direct interest in the matter. He wonders quietly, to himself, why his taxes are so high and why the budget of Canada has increased sixfold since 1963 under Liberal governments.

● (1510)

Petro-Canada will become a haven for political appointments. In the private sector, when directors are appointed in multinational or other corporations or companies, they are generally appointed because of their ability to operate the corporations efficiently. Presidents and directors of corporations are chosen by the shareholders for their knowledge, experience and ability to operate the corporations. They are appointed to deal with the whole, broad spectrum of responsibilities in what is called, sometimes not too politely, big business. The only people they are responsible to are the shareholders. In private enterprise, a corporation must operate for a profit; therefore, efficiency is the criterion, not political hanky-panky.

If this corporation is a failure because it fails to explore and process, makes mistakes and uses bad judgment, what happens? The shareholders cannot call the directors together at an annual meeting and say to the president that they want him and the directors to go and they want the company put on an efficient basis. As I have said, you cannot fire the president or the directors. We have seen that tried in this House.

When financial mistakes are made, bad judgments follow and no dividends are payable. The shareholders, in accordance with the laws governing and regulating public or private corporations, may fire the president and directors. However, we know from experience it is impossible to fire appointees of the cabinet to these lofty positions, people who earn high salaries which are not disclosed to our standing committees under the excuse that it would be against public policy.

In the standing committee we tried to find out about the industrial bank which was set up by an act of parliament with borrowed money. We wanted to know the salaries, and we were told this was against public policy. In the private sector the salaries of the presidents and directors of corporations are public. The shareholders can get that information at the annual meeting or upon writing for it. It is disclosed to the public. When it is said this is against public policy or might hurt the corporation in the competitive commercial world, I say that is nonsense. Politics prevents the necessary disclosures that provide for success and efficiency in industry.

I want to emphasize that this is a high-risk industry. Corporations take years to build up the expertise necessary to comprehend the great risks involved in the field of exploration. What seismographs, in terms of knowledge and expertise, will newcomers to this Crown corporation have? What data bank will they have? Compare this to the expertise and experience of personnel working for the big five companies in Canada and elsewhere. One is a Canadian company, Home Oil. This Crown corporation will be an experimentation very costly to the Canadian people. Five hundred million dollars is a spot of water in the ocean when dealing with the promotion of and the high-risk investment and capital necessary for exploration and development in the oil and gas field.

For example, Imperial Oil drilled 133 consecutive dry holes in Saskatchewan and Alberta before Leduc No. 1 was struck. As I said in another speech, it is a great story, and I might repeat it here. Imperial Oil was about to build a processing plant to make synthetic gasoline out of natural gas. The company's geologists convinced the company to put up capital for one more well. After 133 consecutive dry holes, Leduc No. 1 was struck. With that kind of experience, how far will $500 million go?

This oil company will be subject to politics. Clause 7(2) on page 7 of the bill reads as follows:

The corporation shall comply with any directions from time to time given to it in writing by the governor in council or the minister with respect to the exercise of its powers.

In other words, the president and directors will have to dance to the tune of the cabinet. Since I have been in this House—and even before that—I have not had that much faith in cabinets having the kind of expertise to tell an oil company how to invest money, how to explore, develop and process efficiently. After Imperial Leduc No. 1 was found, our whole outlook changed. Other fields were developed and we became a self-sufficient nation with regard to energy. This part of economic history can be called Canada's economic confederation. Our energy supplies and pipelines hold this country together just as effectively as culture and other forms of nationalism, and will continue to do so if leaders change their ways. The media, too, must shape future opinion, which is the only weapon which will motivate short-sighted leaders into far-sighted ones.

The system of taxation developed in the last federal budget, and those of some provincial governments, discouraged exploration and development. We only have to read the *Financial Post* and other periodicals to see that the drilling rigs have left western Canada. All this has happened because of the sheer cussedness and short-sightedness of this government.

Today, Canada stands at another crossroads that again affects not only the outlook for its petroleum industry but our entire economy. Again the question is one of supply. Can we continue to produce enough oil from Canadian sources to meet Canadian demands, or will we have to depend increasingly on foreign oil supplies? This time the crossroads are not technological. The situation is not one where decisions depend on geological data. Large amounts of oil and natural gas have already been discovered in the Arctic and the industry is confident more can be found. The technology to mine the surface deposits of the tar sands and convert the high viscosity crude into synthetic oil is available. This time the crossroads are political and affect the industry's ability to finance the tremendous job that lies ahead. The president of Imperial Oil stated that its budget has been cut by one-quarter, and I would not be surprised if other major companies are doing the same.

The ultimate loser in this situation is the Canadian citizen. He will not benefit from the tax and royalty revenues that would otherwise accrue to his governments from development of his petroleum resources. He could well find his way of life affected by mounting balance of payment deficits and increased dependence on unpredictable foreign supplies—unpredictable both as to price and availability. As a taxpayer, consumer and worker he will be affected by a slowdown in one of our most vital industries.

● (1520)

The purpose of this company is, I suppose, to guarantee self-sufficiency of supply, since once it is established the government could direct it to carry out exploration at the expense of the taxpayers. We have heard a lot of speeches about an energy crisis and shortage of supply. In this light, it is interesting to examine an article which appeared in *The Economist* of March 8, 1975. It reads in part:

History is being swayed by the increasing capability of important groups to cod each other and themselves that they are observing the precise reverse of exactly what is happening. In oil, what is happening is that the world is now trying to produce about 20 per cent more than people are willing to buy while the price of oil is around $10 a barrel—

According to this article there is no shortage of crude petroleum in the world; the so-called shortage has only been a reflection of political hanky-panky at government level with the formation of OPEC, hanky-panky involving large corporations, and stories by journalists all over the world selling propaganda to the effect that there is a shortage. This is the situation dealt with in the article from which I have just quoted. It continues:

Some glut at present productive capacity would probably persist even if the price dropped to $3-$4 a barrel. Medium-term energy policies all over the world are now geared to making the present glut enormously greater with every year that passes.

The article goes on to predict a growing surplus of energy in the world.

The world's governments may—as a diplomatic ploy, perhaps rightly—sign Mr. Henry Kissinger's piece of paper pretending that all this generation's successors in business and government will promise to pay through the 1980s perhaps $7 per barrel, maybe index-linked, for a commodity which costs 10 cents a barrel to produce in much of the Middle East and whose marginal operating costs (once rigs are in place, and it costs money to stop pipelines) are sometimes barely over 2 cents a barrel. If there is an index-linked floor price of $7 a barrel, then it is probable that more than half the productive capacity of primary energy either already existing or now planned for the early 1980s will have to be held or edged out of production; indeed, Mr. Kissinger's objective in talking about $7 a barrel is precisely to create such a glut.

People can believe if they wish that the capacity declared redundant will not then be the expensive (and rising marginal-cost) capacity like Alaska and the North Sea plus the high-wage coal mines of Britain and America. People can believe if they wish that countries like Japan will be bound by a piece of paper saying they must buy oil at $7 a barrel when marginal producers will be offering it at a price based on costs less than one seventieth of that figure, and that Japan's competitors will then allow their own energy costs to stay up to 70 times more expensive than hers. People will believe what they want to believe, including dear delusions.

The article goes on to say:

The breakdown led initially to a widely unsustainable attempt at more extravagant market rigging (OPEC, Smithsonian agreement) so that ordinary market forces swung into reaction. While they were thus in swing, governments who always believe they can repeal the laws of supply and demand, were holding consecutive meetings in lush hotels (OPEC summits, finance ministers' conferences) and journalists always wrote as if something important was happening there. But anybody who stayed home and based his guesses on any reasonable calculation of elasticities of substitution and supply could see that exchange rates would float again and could guess correctly what would happen first to demand for oil, then to stocks, then to supply and next to prices.

The writer of this article found a simple way of checking the amount of oil being shipped out of the Middle East: he checked the insurance coverage at Lloyd's of London relating to oil shipments from the Gulf and turned up information to confirm his contention that the world is experiencing a glut of oil at the present time. The idea that oil would become steadily scarcer and more expensive for the rest of our lives is entirely false. In fact, if I could sum up the article in a few words, the world is not short of petroleum.

I should like to ask the minister this question. What will happen if the price of oil in Canada is set, for example, at $8.50 a barrel and the world price drops to $4 a barrel? Is eastern Canada prepared to pay the higher price? Then I

should like to put the same question in reverse. Should the world price be $10 a barrel, how much lower can the federal government set the price in Canada while guaranteeing development and exploration at the rate necessary to maintain security of supply for this nation in the future? These are the questions we have to put to the government. There is nothing which answers them in the bill now before us, only a proposal to set up a monstrosity, a sink down which taxpayers' dollars will flow. Tax money will go down the sink because there is plenty of evidence that in this particular field, one which involves high risk, there is no substitute for know-how, expertise and management ability.

I cannot believe that a corporation along the lines of Air Canada or the CBC—I am not criticizing those two institutions at the moment, but merely making an analogy—could succeed in such a highly competitive field as the oil industry, or accomplish anything there except increase the taxes paid by the average Canadian. And while this new Crown corporation is pouring more taxpayers' money down the sink, the price of gasoline will be going up at the pumps.

Mr. Speaker, it can be said of many of the bills we question as an opposition that they contain at least some good mixed with the bad. Having been in this House since 1958, I have no hesitation in saying that in my opinion there is nothing good in the measure presently before us. It will likely cost the taxpayers money out of all proportion to the services to be provided.

Mr. Dionne: Rubbish!

Mr. Woolliams: The hon. member says, "Rubbish!" He always makes remarks of that kind; it is the only contribution he ever makes. He will find out that I am right when this corporation is established. If he can name one Crown corporation which is really as efficient as the private sector, particularly in this high-risk capital sector, I wish he would stand in his place and do so, because I would be prepared to listen to him.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, here we are again, wasting the valuable time of this House debating a bill which should not even have been introduced. While the country is being held to ransom by one dissident labour group after another, we are debating whether we should pass legislation allowing the government to go into competition with the oil companies in our country. We could use our time better by debating how we should get people back to work, or how we should tackle the serious problem of runaway inflation.

However, the bill has been introduced and it is a foregone conclusion that it will receive approval, considering the fact that the government has a majority. It is no good hoping that members on the other side of the House will vote as their consciences dictate when the bill comes to a final vote. They will vote as they always do; they will vote as the boss dictates. For that reason, Mr. Speaker, what we say here will probably have little influence on the final result. In any case, I fully intend to make my feelings known on the bill before us and to expose the real intent of the government with respect to this so-called national petroleum company.

Members on this side of the House, those in the official opposition in particular, have been pressing the government for a number of years to develop some kind of national energy policy and to let us know what it is, if and when they have one. We have waited in vain for this to be done, as we have waited in vain for results on other important matters. *Hansard* is full of speeches in which we in the official opposition have used every opportunity to bring this question before the House and to the notice of the government.

● (1530)

The Minister of Energy, Mines and Resources (Mr. Macdonald) should know by now that we would support the government right down the line if they were to table something in the way of a national energy policy. But, Mr. Speaker, Bill C-8 is a long way from being a national energy policy or even a step in the direction of such a policy. It is simply another ploy, another attempt at power grabbing and another attempt at building another wing onto the already top-heavy bureaucracy.

It has been suggested that Bill C-8 is just another attempt on the part of the government to create a snug haven for defeated Liberal candidates and for loyal party faithful. There is good reason for such suggestions to take root in view of some of the other agencies that have been created by this government during my time in this House. Some pretty good jobs have been created in the past few years for the Liberal Party faithful, and they are good paying jobs. When you consider the power that some of these people have in the bargain, it is understandable that those of us on this side of the House look with suspicion on bills which seek to create still more of these unnecessary new agencies.

I am a little puzzled and concerned over some of the statements made by the Minister of Energy, Mines and Resources on March 12 when he tried to sell Bill C-8 to us. Anyone in the House who heard his speech would have wondered if he had the wrong speech, or the wrong audience. The minister was hardly into his speech when he said that this bill "is a most important element in the government's long-term planning to secure adequate supplies of energy to meet our national needs". Now, there is a nice little bit of double-talk, Mr. Speaker. What the minister said is what I might say if I were trying to say that I had worked out a national energy policy. So I might be forgiven if I interpret this to mean that the minister has in fact worked out a national energy policy. Well, just what is the policy? When is the minister going to let us in on his new energy policy?

I think I can speak for my colleagues when I say that I have been waiting a long time to hear the government's plan in the way of an energy policy; and if they have one now I want to see it, I want to hear about it and I want it brought into the House so that we can debate it. All I have seen so far is this bill, a bill to allow the government to establish a petroleum company to go into competition with private industry, to compete with free enterprise.

I cannot accept the minister's claim that this bill is, in effect, the cornerstone of some fanciful national energy policy. What I think, and what I am sure will be borne out next month, is that this bill will allow the government to

create a company that it can use as a club in the upcoming energy talks later this week. I think the energy minister wants this new company so he can tell Premier Lougheed that his company is bigger than the premier's. The energy conference is already expected to be a confrontation rather than a conference, and that expectation is being nurtured and fed by the energy minister and his colleagues.

It is no good the energy minister's complaining that Alberta has involved itself in energy exploitation and exploration. Alberta has been forced into that situation to protect itself, to protect the people of the province from federal government bungling and the heavy-handed treatment of the corporate sector. It is no secret to anyone that the federal government has followed a policy, or possibly a non-policy, of keeping the large energy corporations off balance with its day-to-day changes in taxation policies, especially with regard to exploration and other types of risk ventures.

It has always been a practice of governments of our type, and with good reason, that high-risk ventures are left to the private sector. The money raised by taxes and other means by the government is a trust; money and other valuables held in trust cannot be subjected to risks, and it is in fact incumbent upon those who do hold such money in trust to ensure that it is not subjected to risk without the consent of the owner. What I am saying is that the minister talks of the $1.5 billion of public money with which the national petroleum company will be funded as though it were his own money. I would like to clear that up with just a few well chosen words. It is not his money; it belongs to the Canadian taxpayers, and we are its trustees.

In addition to the half billion dollars in direct financing for the proposed company, the minister proposes to allow the company to raise a further $1 billion by what he calls debt raising. He followed this up with the statement that the federal government would stand behind the company when it seeks to raise further amounts of debt capital. There is nothing like encouraging a new bureaucracy to grow like Topsy even before it is created, Mr. Speaker.

The minister talked in glowing terms of how the Canadian people would be the stockholders in the new company. Does that mean that the minister will call annual stockholders' meetings? Does that mean that Canada will have the world's largest conference hall, one capable of handling 22 million people at one sitting? Perhaps the new hall will be called "Con-Can", to accommodate the stockholders of "Oil-Can". No, Mr. Speaker, the minister does not plan to call annual stockholders' meetings for the new company. He should have called this company "Con-Can" because in my view, in light of the fact that we do not yet have a socialist system of government, this bill is the biggest "con" job the minister has pulled on the Canadian people.

The minister went on to say that Petro-Can would provide, among other things, a social function, adding that Petro-Can would pay special attention to educating and training native peoples in the petroleum sector. If the minister is stretching and straining in an effort to justify Petro-Can, then he has missed the mark again. My colleagues and I on this side of the House have long been under the impression that we already have quite adequate education and training institutions and facilities in this country. Taken as a whole, I would suggest that our educational system and our technical and trades training institutions are pretty good. So I cannot justify Petro-Can on these grounds.

That is not all of the stretching that the minister did in his speech on March 12. He suggested that the private sector has done an admirable job in the past in seeking out and developing supplies of oil and gas. However, he did say that the government cannot be assured that the private sector can be relied upon in the future. As a case in point, he said that they might be encouraged to pull out of Canada and go to places where investment opportunities are more attractive.

Well, the minister certainly had a point there, but he managed very skilfully to express it in reverse and completely out of context. What he really meant was that this government has done all in its power to make investment of risk capital in Canada about as unattractive as possible. I have to confess that I now believe the harassment of the private sector in the past two or three years by the federal government has been a calculated thing, designed to pave the way for this very bill. When the Minister of Energy, Mines and Resources states in his speech in support of Bill C-8 that the private sector cannot any longer be counted on to raise the enormous amounts of capital required for future exploration for oil and gas, then he means the government is satisfied that its campaign against the private sector has been working pretty well.

The minister's statement that he believes the majority of the Canadian people desire a company like Petro-Can is based on his own fond wish and nothing more. Neither he nor anyone else had held a national referendum to find out if the Canadian people want their money put in the hands of another bureaucracy, with carte blanche to do with it as they like. Just putting taxpayers' money in the hands of this government is risky enough, judging from the way the national budget has skyrocketed in the past ten years. To take billions more and place it in the hands of people to risk in resource exploration and development is carrying this risk just a little too far. High-risk ventures in resource exploration and development have been a traditional aspect of the private sector, and over and over again it has been proven that governments cannot do it as cheaply or as well.

● (1540)

I simply cannot approve Bill C-8 for a number of very good reasons. In the first place, while the minister talked at length about what the new company planned to do, or what it might do, he did not make any attempt to justify the establishment of the company. Neither the minister nor anyone else has demonstrated the need for a government company to duplicate what is being done in the private sector or to go into competition with long-established oil and gas companies in the private sector.

If this government wants to get involved, I suggest it should get involved in solving some of the serious problems which are getting progressively worse as the government looks around for new worlds to conquer. What we should be doing is seeking ways to keep on the job people

who have jobs, and finding jobs for all those who want to work but cannot find suitable employment. We also face inflation, which this government seems to feel will just go away if we ignore it.

Let us leave the high-risk ventures to the private sector. Let the oil companies do what they can do best, and for goodness sake let us stop putting artificial barriers in the way of companies that want to risk their capital to find new sources of oil and gas. We have plenty to occupy us, without spending a tremendous amount of money looking for petroleum products.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I should like to take part in this debate as a member representing an oil producing area in southwestern Saskatchewan. I am well aware of the desperate straits in which the industry finds itself in that area.

Canada was created in the face of difficulty and adversity. This was a remarkable achievement, only possible as a result of the spirit and dedication of the people who accomplished it. This country is still ready to respond with vigour and hope, if it can get leadership from this government and if the people are aware what the rules of the game are to be.

Bill C-8 does not mean the government now thinks that Canada has not been well served by private enterprise in the petroleum industry, because private companies, whether Canadian or foreign-owned, have worked vigorously to develop our oil and gas resources, to create transportation systems for them and to refine and distribute our oil products efficiently. The privately-owned Canadian oil industry has a good record of technical and managerial innovation. We should not be swayed by the fact that every one of the dozen countries from which we import significant quantities of crude oil has its own state oil company. A good look at these countries would soon show us that most of their rulers value the licence of unfettered sovereignty and anti-westernism more than they value food for their own people.

It is only natural to wonder when this proposed national oil company will get under way. The best estimates would indicate that it will be 15 or 20 years, perhaps even longer, and certainly there is no indication that the company will produce even one extra barrel of oil for the Canadian people. One thing is sure, and that is that it will use even more of the taxpayers' money and mean an even greater expansion of government into the private sector. So it would seem that our government will be standing passive for a good number of years and we will be living on the efforts and assets of the past for some time to come. If it is to take 15 or 20 years to get production under way, it is interesting to note that this bill proposes five-year appointments for the president and chairman, and three-year appointments for the directors. This does not seem to provide much security of tenure in a company that will be 15 or 20 years developing.

I suppose the crucial question is whether there is a real need for this bill to create a national oil company. Let me quote from the March 27 edition of the Swift Current *Sun*. Under the heading "April production less than 5 per cent" and "100 per cent shutdown of local pipeline", we find the following:

[Mr. Darling.]

South Saskatchewan Pipe Line Company, with offices in Swift Current, suspended its crude oil gathering operations effective this morning.

Another paragraph in the same article reads:

The shutdown has caused Mobil Oil Canada Ltd. of this area to also shut down production and water flood injection facilities in southwest Saskatchewan.

Further on in the article it is stated:

In April, 1974, there was the capability of producing 37,000 barrels a day, which is not the case now.

On the same page of this newspaper there is an article in respect of Texaco, which reads in part:

Texaco Canada Ltd. estimates there will be a surplus of domestic crude oil until at least 1994.

That is the situation in my area. This bill is so broad that it is clear the government is taking the position that the private sector can no longer be counted on to develop the natural resources of this country. I think that Canadians basically believe we should have an economy operated by the initiative of its citizens and not of its government. This bill asks us to incorporate a new government entity called Petro-Canada. In fact, it is setting up a national petroleum industry to be operated by the Government of Canada. This will certainly be another step in eroding parliamentary control of the expenditure of tax money—expenditures that must be covered by revenue. Expressed as a percentage of our gross national product, these revenues rose from 16 per cent in 1926 to 30 per cent in 1946, the last of the war years. In 1958 that figure dropped to 25 per cent, but today 38 per cent of the total GNP accrues to the government in the form of revenue. This trend is placing an unbearable load on the private sector of our economy. We now have one federal government employee for each 50 Canadian men, women and children in our country. In 1967, after 100 years, the federal budget was approximately $10 billion, and today it is almost triple that amount.

Presumably, the creation of this company is an indication that the government believes there is inadequate exploration by the oil industry today. The majority of informed people involved in natural resource development in Canada would agree. However, we must point out that the reason there has been a decline in exploration activity in this country is precisely the result of this government's interference. This government has evolved policies which make it almost impossible for the private sector to operate and to explore in the way it has in the past. The oil and petroleum industry has never had to live with such uncertainty as it has experienced within the last three years, or with a hodge-podge of tax legislation and confrontation that makes it impossible for the industry to operate in a normal way. The government has formulated no rules or regulations regarding exploration for oil in the vast northern areas of the country which have still to be explored.

It seems peculiar that at the very time we are concerned about supply, exploration and getting more oil on stream, there is a whole series of activities on the part of the government which makes it impossible for exploration to go ahead. We should take a good look around the world, as I am sure the evidence will demonstrate that countries with the highest standards of living are basically those

countries which depend upon the private sector to produce and distribute their resources.

● (1550)

By this bill, the government clearly demonstrates that it no longer has confidence in the private sector operating effectively in this country. This bill could socialize our oil industry right down to the retail service station level. Does anyone really believe that there is a need for establishing a corporation to distribute refined petroleum products in this country? A look at any of our towns, cities, villages or crossroads would indicate that the last thing the government needs to invest money in at this time is the establishment of a distribution system for petroleum products. It is obvious to everyone that the distribution system that we have is working effectively.

Surely the government does not need to take taxpayers' money to become involved in this kind of operation. It should give us cause to ponder when we think back a year to the time the Department of Supply and Services made what was probably the highest priced purchase of oil of all time, certainly in the history of this country. Surely, Mr. Speaker, before we get into this sort of nationalizing effort, the first thing to do would be to work out a set of regulations and laws making it possible for the industry to operate and to give us time to determine whether there is any need for this sort of direct government intervention.

In setting up Petro-Canada, I cannot help comparing the involvement of the federal government in the grain industry in the form of the Canadian government elevator system. This system, which costs the taxpayers millions and millions of dollars, has to all intents and purposes been unused through the years and a continual drain on the hard pressed taxpayers of this country. I cannot help wondering whether the proposed investment can be justified. You have to ask, will the exploration required from this corporation go over the same ground on which private corporations have carried out their exploration? Surely, if those private companies found nothing, what is the point in returning to look in the same place?

In Clause 22 of the statute, Petro-Canada is given what amounts to a blank cheque in the form of virtually unlimited ability to receive advances from the Consolidated Revenue Fund of Canada. This can be done either by way of loan or purchase. It is difficult to understand how the new corporation can ensure lower energy prices for Canadians. Provincial power corporations have been unable to keep their rates down, even with 100 per cent ownership of the industry. It is equally difficult to understand how this government corporation can equalize oil prices in all regions of Canada. It is generally estimated that the cost to the Canadian taxpayers of creating this national corporation, if it is to be a significant force in the industry, will be up to $6 billion and, as I said before, the task can take anywhere from 15 to 20 years to accomplish even assuming a high degree of exploration success.

It seems that in a period in our economic history when Canada is experiencing a horrendous rate of inflation, it is really inappropriate for the government to preoccupy itself with an empire-building oil exploration venture which will increase rather than lessen the inflationary pressures that work in our economy, and which will render more scarce already scarce materials, personnel and hardware which otherwise would be deployed in the private sector.

I have been in this business of government long enough to know that we do not have a group of wise men and women making altogether sensible decisions in the society's greater interests. I have found, instead, waste, bias, stupidity, arrogance, a concentration of trivia and, worst of all, arbitrary and often uncontrolled power. The agencies enforcing federal and provincial regulations are increasing and the administrative cost of this army of enforcers represents but the tip of the iceberg: it is the cost imposed on the private sector that is really large.

The major cost resulting from the operations of this growing force of federal inspectors and regulators shows up in the added expenses of business firms who must comply with their directives, and who inevitably have to pass on these costs to their consumers; therefore, a substantial inflationary multiplier must be applied to direct outlays in respect of federal controls. It is easy to imagine the number of superintendents and foremen across this country who spend thousands of man-hours a year guiding inspectors through their plants. This need for government inspectors also has siphoned off experienced supervisory personnel.

A direct private cost resulting from the expansion of government controls is the growing paperwork burden imposed on business firms through the expensive and time-consuming process of submitting reports, making applications, filling out questionnaires, replying to orders and directives and appealing to the courts from rulings and regulatory opinions. There are literally thousands of different types of approved government forms.

Another hidden cost of government regulation is the reduced rate of innovation. The longer it takes for some change to be approved by a government regulatory agency for a new or improved product or a more efficient production process, the less likely it is that the change will ever be made. I would like to see the Government of Canada put its efforts into developing alternate sources of energy along the lines of our good friends in the United States. Certainly, I believe atomic energy is an appropriate role for government but I am satisfied that private enterprise can continue to do a good job in our oil industry.

We are one of few nations in the world which should have surplus resources for the next 100 years, and I hope that the opportunity this gives us will not be lost by the fumbling of a politically oriented government. The real issue before us right now is how to take the best course of action to bring to the people of Canada the opportunities our resources give them at a time when the world so desperately needs them. As we have said many times in the House, the simplest, easiest and best alternative is to let Canadians as individuals own this country. This can be done by providing a tax incentive to Canadians as individuals to increase their ownership of the five major companies, for instance, which control our oil industry. This could be done in a very few years. I have great difficulty in believing that the oil companies operating in this country are our enemies.

Another clause in the bill that gives me cause to ponder is clause 7, subparagraph (2) which reads:

The corporation shall comply with any directions from time to time given to it in writing by the governor-in-council or the minister with respect to the exercise of its powers.

This means, very definitely, that final control reverts to the minister or, ultimately, to the cabinet. All the other clauses should be read with clause 7 in mind, for the minister or the cabinet may alter or interfere with the operation of this company at any time; and we all know what sort of control parliament has over a Cown corporation such as the CNR or Air Canada.

During the last three years we have seen changes in relation to government and the private sector that none of us could have predicted. Who would have thought, even three years ago, that we would hear a minister of the Crown suggest in this House that we nationalize the CPR, or within the last few months hear a minister of the Crown suggest that we nationalize our grain handling business? Now, in effect, we have a bill before us to nationalize our petroleum industry.

I have said many times that our civil service mandarins, the advisers to the government, are disdainful of trade; they like to deal in the smooth, professional manner in the theoretical arena. The immediate need, surely, is for some plain common sense, for some meaningful consultation between government and industry. The National Energy Board calls for an economically healthy petroleum industry. I suggest the only way to get it is to return to our traditional way of consulting with our partners in the private sector.

In the period 1947 to 1973, total government take in respect of the exploration-production phase of the oil industry's operations amounted to about $6.5 billion, or almost 30 per cent of gross revenues. These numbers include taxes, royalties, lease rentals and bonus payments made for leases. In 1974, with the introduction of higher royalties, government will take directly some $2.5 billion, or 48 per cent of the industry's gross revenue. Surely this shows that private industry is carrying its share of the tax load.

As I said before, Mr. Speaker, it appears to me that the government deliberately attempted to destroy a necessary industry. In 1970 the federal government revoked, without prior consultation or notice, the federal oil and gas land order of 1961. For four years the petroleum industry has been left without any basis for establishing the royalties and terms under which half of the exploratory permits of the Arctic are operated, so most of the activity is confined to commitments made years ago. Now we have double royalty rates on gas and oil in the western provinces.

● (1600)

The idea that a national oil company will buy more efficiently than a private company will need some explanation. Our oil industry in Canada has, in a few short years, brought this country from a position of complete dependence on imported oil and gas to its place today, where it is the only developed country in the world which can claim self-sufficiency in energy. The government plans to replace all this with an oil company which will not simply search for reserves and increase Canada's present output, but it will be a tool of the government which will be motivated by political expediency.

[Mr. Hamilton (Swift Current-Maple Creek).]

This bill hits at one industry upon which so many others are based and are dependent on in our energy-geared economy. If the energy situation is to be analysed, I do not expect the government to stop there. I repeat, most countries which enjoy the highest standards of living basically depend upon the private sector to produce and distribute their resources.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the many years that I have been in this House, and as a result of viewing the trends in government, I have been in a quandary sometimes in reaching a definite conclusion regarding the motivation and the political philosophy of the party now occupying the treasury benches. It says it is a political party, and it says it is a middle-of-the-road free enterprise party, but I have seen over the years a very heavy intrusion of the hand of the state in the economy.

There is no question today that this administration is deeply imbued with the spirit of socialism. It has participated in a number of industries. As a matter of fact, with the development of the Canada Development Corporation the government seeks to enter into many facets of industry, not only in this country, but through the Canada Development Corporation it seeks to spend Canadian money in participation in industries abroad. Isn't that something?

Now we come to what I consider to be an act which quietly seeks to establish a national petroleum corporation, namely, Petro-Canada. The only thing is that the government has not disclosed, either to its membership or to the people of this country, the full scope of this bill. I am sure not ten members opposite have read the objects and powers of this bill. For instance, they do not know that the bill will authorize the government to enter into the business of generation, distribution and sale of electric power beyond the power of the Northwest Territories Power Commission and the Yukon Power Commission which they have already set up. To appreciate this, hon. members have only to read clause 3 and clause 6(d). The latter subclause reads, "to produce, distribute, transport and market other fuels and energy". This is what parliament will authorize Petro-Can to do. Mr. Speaker, some time, somewhere down the road recourse will be had to this particular provision and we will all wonder what has happened. The answer will be that in 1975 parliament passed an act which permitted the government to do this.

Parliament and the people of Canada are being asked to approve the creation of a national petroleum corporation. But what is its purpose? Is it to swell the ranks of the public service of Canada? That is bound to be the first conclusion. Just watch the salary scales of the executives of a corporation of this kind. Will they fight inflation? No, they will set inflation. Has anyone looked at the salary scales of executives of Canada Development Corporation? I invite members of the NDP, who were such strong advocates of the CDC, to look at the salary scales of the executive officers. Of the 14 highest salaries, not one last year was under $27,000. The chairman and the deputy chairman made $40,000 plus, and earn more than the minister.

Some hon. Members: Shame!

Mr. Lambert (Edmonton West): The way in which the government sets up these corporations is ridiculous. It staffs them with people with good connections and pays them extraordinarily good salaries. What is the return to the Crown? In many instances it is less than nothing, particularly in those areas where they are competing with private enterprise. I am not saying that private enterprise is necessarily 100 per cent correct. It has many faults. But compared with state corporations and many of our Crown corporations they are paragons of efficiency and virtue. One would expect that in order to justify the establishment of this new Crown organization, this new infant Frankenstein, it would be indicated by the government—and they have failed to do so—that the Canadian populace would benefit by lower prices of petroleum products: that does not mean only stove oil, but also gasoline at the pumps and lubricating oils—the whole panopoly of petroleum products. One would expect there would be a more efficient operation of the oil and gas industry in this country. I am not saying the oil industry is 100 per cent efficient, for I dare say in areas such as marketing it could be improved. Mistakes are made in the private sector, so God only knows what blunders will be made in the public sector, and there are many classic examples already in this country and other countries.

● (1610)

We should have, as a third objective, a more efficient and more intensive search for oil and gas in this country, and perhaps even offshore. There has been not the slightest indication by the minister or any of his supporters that we would pay less, that the administration would be more efficient or that there would be an increase in reserves of petroleum resources as a result of this bill. Why, then, should we go through this exercise, Mr. Speaker? We must start exploring the minds of this administration. I was going to say "mind" of this administration, but I cannot discern one. We can discern the minds of people who have put together this potential industrial—I was going to say "Frankenstein", but I do not know if it would even come to life, to be capitalized out of the pockets of Canadians in competition with the demands of industry.

The schizophrenia of this administration with regard to Canadian investment is fantastic. On the one hand they exhort Canadians to invest in Canadian business and industry, but by the Income Tax Act discourage them from doing so. They give advantages to foreigners who invest in Canada, and then wonder at the results. They pass the Foreign Investment Review Act with a hypocrisy and a piety that is unbecoming in public life in Canada. Advocates of the Foreign Investment Review Act and its extension want to see Canadians invest in Canadian industry, particularly resources.

This administration set up the Canada Development Corporation, lent it money and predicted a great future for it. But what has it done, Mr. Speaker? It took the money from the public treasury, money that Canadians were taxed to provide, or from the government bonds which they bought. It entered the resource development field by buying control of Texas Gulf and Sulphur and participated in the production of copper and related minerals in northern Ontario. You might say that is participating in Canadian development, but when it bought Connaught Laboratories that was not participating in Canadian development, nor are several of the other purchases CDC made. Then it bought some companies operating offshore.

If this government wanted to participate in and encourage development of Canadian resources, why did it set up Petro-Can? It merely had to indicate to the Canada Development Corporation that, along with private industry, it could participate in the development of the tar sands, or it could have set up parallel participation in the exploration and development of Arctic petroleum resources with Panarctic and its associates. That is a classic example, Mr. Speaker.

Why set up this corporate bloodsucker—that is all I can call it. As the hon. member for Swift Current-Maple Creek (Mr. Hamilton) pointed out, it will just mean hiring more stooges to carry out government directives. Who is going to be president and chief executive officer of this corporation? The minister. Who is going to be vice-president and assistant to the chief executive officer? The deputy minister. Who will be on the board of directors? Members of the cabinet.

As my colleague pointed out, clause 7 is all too clear when we see all the powers the corporation will have. Those powers should be inscribed in *Hansard*, Mr. Speaker, and every newspaper should publish them to show what this so-called saviour of Canada would be able to do at the time of an energy crisis. It would show that the government's gesture in presenting this bill is a mockery and that it cannot achieve its objectives. A company such as this requires more knowledge than many people have of the oil industry. It seems to many people, that if they have hooked up to a gas pump more than three times, they consider themselves experts on the oil industry. Have they gone out into the field and seen what is required to put together a lease, or what financing is required? Have they seen what is required to undertake exploration and development.

● (1620)

What do the government know about the training of people involved in the oil industry? What do they know about what it takes to bring oil into production and bring it to market and sell it when it has been processed further? They have not the slightest idea. What do they know of how the industry was built up, of the camps which were established and housed the men and women who participated in the search for and development of oil properties?

What do they know about the type of industry which is needed to maintain all the mechanical equipment connected with the oil industry, equipment ranging from servicing rigs to trucks? What do they know of the expertise needed for the oil industry? I dare say that when oil was discovered at Leduc No. 1 in February, 1947, not more than five welders in Canada could put together a piece of pipeline. I do not suppose there was a steel manufacturer in Canada who knew how to provide pipe for the pipeline. People in the industry had to be trained. Now we have thousands upon thousands of specialists who have come from all walks of life in Canada and who went out to the oil fields of Alberta and Saskatchewan. Of course, Saskatchewan, because of the doctrinaire nonsense which

continued during the 1940s and 1950s, threw away its great opportunity; but that is the province's problem. The people of Saskatchewan moved to Alberta in hundreds of thousands.

This government, by the introduction of two successive budgets and some pigheaded thinking, has tried to master that industry. Why? It should not have anything to do with the industry, in any way. The setting up of the proposed corporation is a further attempt by the present administration to interfere with the development and distribution of natural resources by the provinces. Frankly, I am amazed that most provinces have not risen up in arms, although some have voiced their objections. Most of them, because they do not possess oil and gas, do not find at the moment that this question is of particular concern to them. But the provisions of the May and November budgets having to do with resource royalties affect all resource development. I am astounded by the pusillanimous and supine attitude of a number of provincial administrations to the interference by the federal government in fields in which that government has no business.

We hear people talking of more Canadian participation in Canadian enterprise. Everybody wants more Canadian participation. I was going to say that the idea is in the same category as motherhood. Unfortunately, a lot of people have downgraded motherhood. A much more acceptable idea has to do with Canadian participation in Canadian industry and in Canadian resource development. That is to be the objective, the Holy Grail of all of us in Canada. That is the government's objective. How does it propose to reach it? How does the government propose to finance the corporation?

Some important talks are scheduled to take place this week. I have heard many hypotheses as to the results and I think one can foretell some of the consequences. I will not do so at this time; I will simply say that Canadians have been exhorted to participate more in Canadian business. I should like to see much more Canadian participation in the ownership of Canadian businesses. But how can Canadians do this in the face of an Income Tax Act that overtaxes? Somehow there has developed a philosophy in Canada which says that we are to show ever greater concern for certain social services and hand-outs, all of which are provided from an extremely narrow economic base.

Certainly, we like to see the less fortunate get a helping hand when they need it; we like to see the development of good, sound health services—but not at fantastically over-inflated costs. We like to see good medical services but, again, not at wildly inflated costs. We want to see less injustice and more criminals rehabilitated through a much better parole system than we have now, so that we will not have the present high concentration of Canadians in our penal institutions. We want to see programs under which we can devote appropriate sums of money to our native population. We should give them a strong base and let them achieve what they want, which is not necessarily what the white man wants. Our trouble all along has been that all the thinking on behalf of native peoples has been done by the white man, who has tried to mould them to his image. That will not be the solution in future.

[Mr. Lambert (Edmonton West).]

Under this bill, the government is trying to mould the public mind. Canadian resources shall be developed as the Minister of Energy, Mines and Resources (Mr. Macdonald) and his colleagues see fit. I spoke about the president and chief executive officer of the corporation. Let me refer to clause 7(2) of this bill. It says that the corporation shall accept all written instructions from the governor in council. Did any member on the government side look at clause 7(3)? It says that the budget of Petro-Canada shall be approved annually by the cabinet. Why set up a board, Mr. Speaker? Why set up a group of executive officers? The corporation might as well be run as another section of a department, with a director in charge.

● (1630)

I mentioned that one of the objectives of this corporation should be lower prices. The corporation is supposed to engage in the marketing, distribution and sale of petroleum products. However, it will be much like the various liquor commissions in this country which respond to pressure from cabinet, the attorney general or some other officer. Without any justification, they hike the prices of their products merely because the government requires more money—hidden taxation without representation. I do not know why in various provinces they have not blown the whistle on the way their liquor boards operate. I notice some people in this province are getting concerned about how they operate with regard to their pricing policies.

We see interference in interprovincial trade by setting up direct tariffs against products from other provinces or engaging in indirect Customs tariff barriers. We saw an example of that this past summer between Quebec and Ontario with regard to their wines and apple ciders. This happens within Canada, but it is all done without any control. The ugly monster that is being created, Petro-Canada, could behave in precisely the same way with regard to oil and gas products. It will be responsible directly to the minister and the government, but to no one else.

If one goes through this bill page by page he will find more reasons why it should not be supported by the House. Do hon. members think this corporation is required for the participation by the Government of Canada in Syncrude? Not at all. That would be something worth while and proper for the Canada Development Corporation, namely, the development of Canadian resources.

We are told this corporation is required to purchase petroleum products from abroad. We have already in existence the Canadian Commercial Corporation. It has been in existence for many years. That corporation is engaged in the purchase of petroleum products. With the allocation of a few personnel if necessary, it would respond to whatever is required—although at the moment there has been no demonstrated need for that particular characteristic or quality by the Canadian Commercial Corporation.

Nor does Canada require to purchase petroleum products through any state organization. It would be interesting to know what happened to the last and most spectacular purchase of petroleum products on behalf of this government by the Minister of Supply and Services (Mr. Goyer), on the advice of the Minister of Energy, Mines

and Resources. What happened to the millions of barrels of oil that were purchased, while afloat, at about $30 a barrel and then never used? Where is that oil? Maybe the minister can tell us. Was it consumed? If not, what were the storage charges to be added to the cost of acquisition? If it was disposed of, what was the price of disposition? What was the sale price? What was the total loss or cost to Canadian taxpayers? What organization bore that loss, or is that some hidden expenditure well cushioned behind some fuzzy figures and vague descriptions that may appear either in an estimate or supplementary estimate? These are answers we want with regard to the operations and the background of this organization.

Notwithstanding what the House may think about this bill, if this organization should become a fact where will it get its trained personnel? Who will put that team together? With regard to what operations will they be trained? Where will they acquire the experience to bring them up to the peak of efficiency that is supposed to be their lot? How long will this take? What will be the investment in the training and development of this corporation before it becomes a reality and starts to produce for the benefit of the Canadian people?

Yesterday, over television, I heard the Premier of Saskatchewan, an old friend of mine, talk about Sask Oil, something they put together quite some time ago in their doctrinaire approach to the development of natural resources in that province. I am surprised that the people of Saskatchewan tolerate it. In the late forties or early fifties they had the classic example of a previous administration under the direction of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas).

Mr. Knowles (Winnipeg North Centre): Careful!

Mr. Lambert (Edmonton West): Saskatchewan lost a golden opportunity to have the first foot in the door with regard to Interprovincial Pipe Line and the disposal of its petroleum products in an eastern Canadian market that was hungry for those products and able to absorb them. How they worked at it! One had only to be there to see the blind foolishness. I agree that some profit was made by certain people, but it was not the oil industry. They now have this outfit called Sask Oil. Premier Blakeney says they are drilling the odd hole. It will be interesting to see just what they will get, and how far the people of Saskatchewan will get with that outfit in comparison with the Canadian independents that were operating in Saskatchewan. Remember, it is the Canadian independents who were chased out of Canada. Although it may be the international conglomerates which are sitting on top of the developments, the actual drilling was being done by the independent drilling companies, or at least 80 per cent of it was. All this, including the servicing and everything that went with it, has been knocked on the head.

● (1640)

I am suggesting to you, Mr. Speaker, that it will be a decade at least, maybe 15 years, before the company we are being asked to establish, Petro-Canada, ever returns a penny by way of benefit to this country. In the interval, it will cost us thousands of jobs and millions of dollars as taxpayers. It will raise false hopes among certain people, and its presence will serve to discourage those who want to get on with the business. After all, the government has much more clout in the financial markets than have the independent companies. Talk about conflict of interest, or vested interest! Here is the Government of Canada actively engaging in competition with private firms, whether Canadian or international, and deciding what the tax structure is to be. Not a penny would be paid by Petro-Canada. In any case, that company would have no income. But what about the tax penalties imposed upon the private sector?

Mr. Speaker, I hope the House will vote against this bill and kill the ignominious corporation we are being asked to set up.

Mr. Peter Elzinga (Pembina): Mr. Speaker, the Minister of Energy, Mines and Resources (Mr. Macdonald) has described to us in glowing terms how the introduction of Bill C-8 will "ensure for Canadians adequate and reliable supplies of energy at reasonable prices". I am not sure what the minister considers to be a reasonable price. It is a matter of relativity, I suppose, but I find it difficult to believe that $1 billion is a reasonable price. The reasonableness of this amount is even more questionable when one realizes that it will be spent to buy a service which we already possess, and a bargain at any price, even at $1 billion, is no bargain if it is something one already has.

What the bill before us will do is establish yet another Crown corporation and, worse still, an unnecessary one. The means of assuring Canada's fair share from her natural resources is available right now. The minister says the new Crown corporation will be able to "mobilize capital on an important scale." What he is really saying is that more tax dollars will be mobilized right out of our pockets. I would point out that the government, just a short time ago, invested over $300 million for a 15 per cent share in Syncrude, which was an investment into our resource development. The ability to make future investments is already an actuality. Why should the Canadian taxpayer be asked to pay $500 million to $1 billion for something he already has? I doubt that the taxpayer will be asked, though, and I doubt very much if the government would really want to hear the answer.

We are reminded that we already hold nearly a half interest in an oil company, Panarctic Oils Limited, and that for eight years this company has carried out extensive exploration operations in the north. Yet one of the reasons we are given for the creation of Petro-Canada is that we will be able to assist in oil exploration. Why does the government not concentrate on assisting the companies already in existence? Why does it not encourage private enterprise and initiative, rather than establish joint operations? Surely, companies which have been operating within the framework of government, or working jointly with government, or even in competition with government, know all too well to whose advantage such arrangements work.

The minister said that the directors "from time to time . . . may judge that short-term profit maximization is not in the interest of the shareholders." The shareholders are, of course, you and I—the Canadian people. In the next breath he tells us that the capital resources will be so substantial that we should be able to expect a significant

role in the petroleum investment picture at a relatively early stage in its life. Do these statements not seem somewhat contradictory, Mr. Speaker? It seems the government has ensured itself of being an accurate forecaster no matter which turn events may take.

The minister speaks of those countries from which we import crude oil, and says each one has its own state oil company. I wonder how many private companies are now allowed to operate in competition with them. Also, I wonder how significantly the people in those countries have benefited from state ownership of the industry. Why should we buy with our tax dollars, even at the minister's so-called reasonable price tag of $1 billion, something we already have in our possession? I do not understand this logic and I would be grateful if the minister could explain it to me. Am I the only member in this House to whom this kind of logic is completely illogical?

An hon. Member: Yes.

Mr. Elzinga: Is there any logic in paying out three times the value of a service one already enjoys? Is there any logic in establishing an unnecessary Crown corporation? Is there any logic in creating yet more bureaucracy? Are tax dollars so abundant that we have one billion of them to waste? I think not.

The minister went on to say that his "emphasis on long-term planning is deliberate and necessary". What a lovely ring that phrase "long-term planning" has to it. Nevertheless, the ring sounds rather hollow when the hon. gentleman goes on to assure us that the petroleum venture will be undertaken in the "full realization that hazards and uncertainties await us". Does the government really plan, in the long term, to embark on a venture which is fraught with risk and uncertainty? It sounds very much as though this is the case, bearing in mind that these are the words of the minister himself, presumably the most knowledgeable person in the field of energy, mines and resources. When I hear about long-term planning filled with hazards and uncertainty, I am not very confident about the outcome of that planning. It seems reasonable to assume that long-term planning should have a much more solid base than risk and uncertainty.

I must say I was impressed by the candour of the minister when he warned us that the establishment of a national petroleum company would not likely lead to early and spectacular results in terms of energy development and financial success. It occurs to me that for a billion dollars or more we might have been allowed a few such illusions. After telling us why the change in domestic and international energy affairs made it necessary for the federal government to get into the act, the minister went on to laud private companies. It did not mean, he said, that the government finds that Canada has not been well served by private enterprise in the petroleum industry. To use his words, private companies "have generally worked vigorously to develop our oil and gas resources, to create transportation systems for them and to refine and distribute oil products efficiently." The privately-owned Canadian oil industry, he added, has a good record of technical and managerial innovation.

● (1650)

If the minister truly believes that private industry has done such a first rate job, why does he feel it necessary now for the government to step in and create another Crown company? Does he really feel that such a corporation can improve on this good record of technical and managerial innovation? The minister says that the government does not feel assured that the private sector can be relied upon to mobilize all the enormous amounts of capital which will be required to secure energy development for long-term Canadian needs. May I ask why he feels that private enterprise cannot be relied upon to do so, especially having given us his glowing account of its past achievements?

When the minister tells us that he believes the majority of Canadians will derive a great sense of pride, satisfaction and confidence in owning a portion of this Canadian industry, is he saying that Canadians prefer to have their industry owned by the government rather than by private enterprise? Is he saying that the Canadian people prefer public ownership? I think he is taking an awful lot for granted if that is how he interprets the preference of the citizens of this country.

The minister should ask the people of Saskatchewan how much pride and confidence they felt when the provincial government took over so much of the industry, with such disastrous results. The losses ran to millions and millions of dollars and these industries either had to be abandoned or turned back to private enterprise in order to make them viable. In the meantime, new industries bypassed Saskatchewan and established themselves elsewhere, unemployment increased and taxes were raised. An exodus of residents of the province then ensued. I would doubt that the people of Saskatchewan felt much satisfaction in that debacle.

If the government wants to get into the role of businessman, it should look closely at its record, past and present. I suggest it is less than efficient in that role. A number of instances of that inefficiency have been pointed out by other members, and if one needed some pretty concrete evidence of the government's success as an employer, one would only have to listen to some of the many hundreds of government employees who have been striking, who are striking and who will be striking. We need only look in our own front yard during the last few weeks to see some concrete evidence of the discontent of many thousands of government employees. They have been right outside the House telling us in a most visible way that their wages did not compare to those being paid to employees in similar job situations in the private sector of the business world.

Of course we want as high an employment rate as possible, with stable prices and little regional disparity in income and living conditions. However, when the government does take a direct stand in the production and distribution of goods and services, the track record is not very glowing. All we need do is take a look at the postal department today. How can the government explain away facts like Air Canada suffering heavy losses while CP Air makes a profit and provides better service on a more restricted budget? Government-operated enterprises have not been renowned for their efficiency, either by way of profits or by way of services. Is it the intention of the

government to destroy personal initiative? If so, it is certainly going about it in a most effective way.

Let us not forget that this country was built on personal initiative and enterprise, hand in hand with imagination and hard work. The minister himself says that this is no time to be short-sighted or timid. There is nothing short-sighted or timid about our ancestors who pioneered this country. If we discourage the spirit of adventure and sap the imagination of our people, what will we be left with? A lethargic, indolent public sitting around waiting for the hand-outs from Big Daddy on the Hill. Does this government want to become involved in every aspect of Canadian life? Is this the kind of society that we really want to create? I do not believe it is, but this Liberal administration is attempting to create such a society.

An hon. Member: A lot of people in this country do not think so.

Mr. Elzinga: That is because they were somewhat deceived by people on the other side of this House running around the country.

An hon. Member: Where were you running?

Mr. Elzinga: Just in my own riding. There seems to be increasing government interference in the area of private industry, private enterprise, and indeed in the private lives of individuals in this country. It is becoming increasingly clear that the direction this government is taking is toward massive central control. Canadians have the right to know of the erosion of their personal freedoms in business and in their private lives. If it is the intention of the present government to take away the self-determination of the individual and small businessman, then let it so declare this intention and stop sneaking its socialism in through the back door.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Administration of Justice—Dredging contracts at Hamilton—Possible consultations with minister pursuant to sections 4 and 5 of justice act; the hon. member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Government policy on assisting adult refugees from Viet Nam; the hon. member for Sault Ste. Marie (Mr. Symes)—Environmental Affairs—Alberta decision to allow increased emissions of sulphur dioxide from Syncrude plant.

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

Mr. Reid: Mr. Speaker, I think there will be some agreement to proceeding to notice of motion No. 31 standing in he name of the hon. member for Edmonton West (Mr. Lambert).

Mr. Deputy Speaker: Does the House agree to proceed with notice of motion No. 31, appearing in the name of the hon. member for Edmonton West, and to stand all other notices of motions preceding motion No. 31 on the notice paper?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

PENSIONS

SUGGESTED REMOVAL OF LIMITATIONS TO ENTITLEMENT OF CERTAIN CATEGORIES OF PERSONS IN FEDERAL SERVICE

Hon. Marcel Lambert (Edmonton West) moved:

That, in the opinion of this House, the government should consider the advisability of removing all limitations and restrictions whatsoever on the entitlement and payment of pensions, superannuation or retirement allowances of whatever kind to retired members of the Canadian Defence Forces, the Royal Canadian Mounted Police, Senators and Members of Parliament when any such person so entitled enters into the service of the government, whether by way of the Public Service Commission, or by appointment by the federal authority to any Commission, Board or other body or to the Judiciary of Canada or in any other manner.

[*English*]

He said: Mr. Speaker, I wish to thank hon. members for their unanimous consent. I merely intend to raise this matter and to speak very briefly. I think it is understood that by agreement a reply will be given by the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) and that the motion will then be withdrawn.

I might say it gives me a great deal of satisfaction at this moment to see incorporated the pith and substance of my motion in a bill which is now on the order paper. I refer to Bill C-52. Of course, we all hope and pray that the President of the Privy Council (Mr. Sharp), as government House leader, will see to it that the bill is referred to this House for second reading and then sent to the appropriate committee for consideration.

● (1700)

This involves many more important aspects than just the subject matter of my motion, and I am sure hon. members will readily agree when they consider the amendments to the Public Service Superannuation Act, the Canadian Forces Superannuation Act, and a number of provisions of other superannuation acts which deal with equality as between male and female employees. I am sure they will readily agree as well that this will restore some sanity and a more equitable level to the positions of people who have been drawing pensions having served in

the armed forces, the RCMP, as well as in the House of Commons or in the Senate, particularly as this relates to future service in the employment of the government of Canada.

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I would have a question to ask him with his permission.

Hon. Marcel Lambert (Edmonton West): Once I have concluded my remarks which will be very short.

[*English*]

Let me say for the record that this motion has been considered on a number of occasions in the House. The subject matter was considered by the Committee on Miscellaneous Estimates which made recommendations to this House in a unanimous report that was accepted in principle by the government.

Let me refer hon. members to Bill C-52 in so far as it concerns this House. If they will look at clause 91 at page 77, where sections 31 and 33 of the Senate and House of Commons Act are withdrawn, they will note that this will generally cover the problem I have spoken of as it affects this House.

There are only one or two additional things I should like to say about this motion. What the motion proposes is that individuals who have served as members of this House will be able to continue their contributions to the service of Canada without their retirement pensions being impaired in any way. I might add that this will work in the opposite direction in so far as former members of the public service serving in this House are concerned.

Pension matters are very important in today's social context, and it seems to me totally unjust that a member of the public service of Canada, the armed forces, the RCMP, or the public service of a province or perhaps even a municipality, having served 10 or 15 years during which time he acquired a vested pension interest, should not be able to enter this House and merge his pensionable service and entitlement with any entitlement he may earn in this House.

We know that under the pension scheme regulations in this House one has to participate in at least two election campaigns and serve a minimum of six years. What happens to an individual who goes out at the end of four years? All that would happen if we adopted the principle of this motion is that his service, for example, in a provincial government, of 15 years would be combined with his four years in this House so that he could retire with a pension based on the total 19 years. After all, that individual had served in the public service for a total of 19 years so why not give him a pension entitlement based on that length of service? The same thing would apply in respect of service in the armed forces.

I do not see why a man who has served for 20 years in the public service cannot bring that service and his pension entitlement to the House of Commons. The same should apply to an individual who is elected to this House and either voluntarily or involuntarily retires from this place and takes up pensionable employment in the public service of Canada. He should be entitled to add his service years here in the House to his years of public service whether in the service of the government of Canada or of a province. I do not see any difficulty in that regard.

A member of the armed forces can join the public service of Canada and have his armed forces service added to his pensionable service time providing he makes an appropriate election and certain adjustments to contributions are carried out. That individual can then carry on with his pension scheme as though he had always been employed in the public service of Canada.

We saw a breakthrough some years ago which allowed individuals in the public service of Canada to carry their pension entitlements to provincial public service, and vice-versa, providing special adjustments were effected. Why should those at the elective level not be allowed to participate in this portability of pension entitlement? These people have earned the entitlement and should not be placed in a second class category.

What I have outlined in respect of my motion and Bill C-52 should apply to persons in the House of Commons and the Senate who might move back and forth between various public service areas with portable pension entitlements. On the basis of what I have said, and subject to the remarks of the hon. parliamentary secretary, I would be prepared to withdraw my motion.

Mr. Blais: Mr. Speaker, in view of the remarks of the hon. member I should like to direct a question to him, and I relate my question specifically to his comments during the debate on Bill C-8. At that time he referred to the fees contemplated for directors of that company as exorbitant. In the event that he was appointed to that Crown corporation would he be ready to accept the exorbitant fee and the pension from this place to which he would be entitled?

Mr. Lambert (Edmonton West): I was not referring specifically to directors' fees. I said that they would be executive officers comparable to those levels in the public service of Canada with very generous salaries. The parliamentary secretary should not try to distort my words. His memory may be faulty—

Some hon. Members: Hear, hear!

Mr. Reid: He is a private member.

Mr. Lambert (Edmonton West): In view of the game of musical chairs that takes place over there, Mr. Speaker, perhaps I thought that the hon. member was about to be deposited on the floor, or had been deposited there. The way this government operates there would be much more likelihood of the hon. member being appointed to the positions in question.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): I am sure he would want to be in the position to take with him whatever pension entitlement he may have earned here. If the hon. member should happen to be named to the bench, as hon. members have been from both sides of the House, there is no reason why he should not take with him whatever pension entitlement he has contributed to and earned here. At the moment his estate can collect a contribution, and that is about all. I think this is total nonsense.

• (1710)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I just want to say that a motion in similar terms was put forward by the hon. member last year and, as a result of it or of the discussion in the Standing Committee on Miscellaneous Estimates, that motion having been passed by House and sent to the committee, the government has brought forward Bill C-52 which will be discussed in due course. I think some of the problems and suggestions raised by the hon. member will be discussed in further detail, and perhaps even within a legislative framework which might see this matter come forward in law at a later date.

Mr. Lambert (Edmonton West): Mr. Speaker, may I now seek consent of the House to withdraw the motion?

Mr. Deputy Speaker: Does the hon. member for Edmonton West (Mr. Lambert) have unanimous consent to withdraw his motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Usually at this point the suggestion is made that we call it six o'clock and I suspect that suggestion will be forthcoming and will probably be agreed to once more. I simply make the point that we have done this three or four times during this session by agreement, but one thing that happens is we find ourselves using up the 40 hours we are allowed on Mondays and Tuesdays for private members' business. I would suggest, since we may now be rising at 5.15 p.m., that this day not count as the 29th hour under the rule under which we have these private members' hours on Mondays and Tuesdays. There has been some discussion about this and I believe, Mr. Speaker, you will find there is agreement.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Hon. members have heard the suggestion just made. Is it agreed by unanimous consent that this hour not be counted in the 40 hours allotted to private members?

Some hon. Members: Agreed.

Mr. Reid: Six o'clock.

Mr. Deputy Speaker: Is it also agreed that we call it six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hour appointed for the consideration of private members' business having expired, in part, I do now leave the chair until eight o'clock p.m.

At 5.15 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-8, to establish a national petroleum company, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Gordon Towers (Red Deer): Mr. Speaker, probably one of the most difficult tasks that I have undertaken since coming to the House of Commons is the one that faces me at present when I say that the Minister of Energy Mines and Resources (Mr. Macdonald) has been a disaster and is leading all Canadians on a disastrous course. This is a great misfortune.

We are not making these statements so that some time in the future we can say "we told you so," because by then it will be too late. What we are doing now is telling the Canadian people exactly what is happening, so that instead of saying "we told you so" we can say "we are telling you now".

The problem started some time ago. There is no necessity for the confrontation that has taken place between the industry—when I say industry I mean all segments of the oil and petroleum industry—the producing provinces—and when I say producing provinces, I mean British Columbia, Alberta and Saskatchewan—and the federal government. It would not be so bad if it were kept at that level, but it is not. It has now infiltrated down to a great many people in Canada. It is a great misfortune that there has not been a spirit of consultation rather than the confrontation that has taken place. If there had been more consultation we would not necessarily now be debating the bill that is before us.

I lay the whole blame at the feet of the Minister of Energy, Mines and Resources because he is the one who is in a position to do something about it. I should like to put on record a question and answer as recorded in *Hansard* of September 21, 1973, at page 6794. This is a question that I put to the minister with regard to his dealings with the province of Alberta. I said:

> Mr. Speaker, I have a related question for the Minister of Energy, Mines and Resources. In view of the letter to Premier Lougheed of Alberta which was tabled in the House on March 10, 1972, by the Minister of Energy, Mines and Resources stating in part that "it is of paramount importance that the relationship of the Government of Canada to the government of Alberta in energy policy matters be one of co-operation and collaboration", I should like to ask the minister why that assurance was not honoured?

The minister replied:

> Mr. Speaker, I would respond to the hon. gentleman that, given the time constraint in which this decision has to be made, it was honoured to the best of our ability. In particular, with regard to the decision of the National Energy Board on September 12 concerning export of oil to the United States, we had really only a period of overnight to make that decision. We discussed it with the Alberta minister, who was present in Ottawa the following day, just as soon as the cabinet decision had been made.

The order had been given to the Alberta minister, I understand, 20 minutes before the end of the meeting. I asked the minister another question:

Did the minister attempt to meet with the Premier of Alberta on his recent visit to Alberta?

The minister replied:

Mr. Speaker, I did see a report on the morning that I flew to Calgary to see the industry that the premier expected to see me. That report in the *Globe and Mail* turned out to be a mistake.

I suggest that the only mistake made is in having this minister as Minister of Energy, Mines and Resources in a crucial period of time. There has not been one instance since he has taken office in which action has been taken in the best interests of Canada.

We all remember the situation, some 18 months ago, when the minister was making preparation and exciting all Canadians with the prediction that there was going to be an energy crisis. Just six months later the minister realized that the energy crisis which he had predicted had not come about. Last spring a year ago there was more oil in the pipelines in Canada than there had been for some time, and the ships then at sea were travelling a slow pace because there was no place for them to unload their oil.

In view of what I said I suggest that the minister has made a series of mistakes and is continuing to make them primarily by trying to establish another Crown corporation. The hon. member for York-Simcoe (Mr. Stevens) pointed out to the minister in no unequivocal terms that Crown corporations have not worked for the best interests of Canadians to any marked degree. Consider, for instance, CBC which had a deficit of $200 million in 1972, whereas, as the hon. member for York-Simcoe stated, at the same time three national networks in the United States accumulated profits amounting to the same figure. Let us consider also Air Canada as against CP Air. It was Air Canada that wanted a 10 per cent increase in rates, not CP Air. In view of these facts we cannot agree that Crown corporations are the answer to our problems because it has been proven, time and time again, that this is not the case.

I would like to quote from the 1973 Canada Year Book as follows:

Alberta is Canada's major oil producer—

Incidentally, in case some hon. members do not realize that, let me point out that the reason why we from Alberta are very concerned about Petro-Canada is that the oil industry in Alberta is of the utmost importance to our economic well-being.

—as reflected in the steady increase of its share of the national output which has climbed from 69 per cent in 1967 to 75 per cent in 1971. Production could be even greater since the developed fields are now being operated below capacity. At present production rates, proven economic reserves of oil total about 20 years' supply. Current exploration in Alberta is at a moderate level with new field exploration awaiting the outcome of economic and environmental studies on new sources of oil above the Arctic Circle.

Alberta's total minerals output in 1971 was valued at $1,640 million of which fuels accounted for $1,575 million; one third of the remainder was fuel by-product sulphur and two thirds was structural materials—

In a report by the president of Imperial Oil in March of this year the following statement is to be found:

Because of reduced cash flow, the petroleum industry generally is having to cut back on its program and will not be able to meet Canada's petroleum requirements. Canada is approaching a position where it will import more oil than it produces; with a negative effect on the country's balance of payments of several billion dollars a year. To be self-sufficient in the late 1980s will require expenditures of some $50 billion in the next ten years.

● (2010)

The point is that within two years we find ourselves facing a potential shortage, and perhaps by 1980 we will even be a net importer of oil because of the action of the federal government. The government should not get into areas where it has no business, and where it has neither the technical knowledge nor the ability to make the best use of the reserves.

I should like to read from *Nickle's Daily Oil Bulletin* for March 19, 1975, which has this to say:

Nabors Drilling Ltd., Calgary-based oilwell drilling contractor, reported that it has a rig moving out of southern Alberta. Like numerous other firms operating drilling equipment in Canada, this company is closely watching developments on both sides of the 49th parallel and will make ensuing decisions on the basis of forthcoming events. Nabors has now plans to move additional rigs out of Canada.

In view of the fact that the Minister of Finance (Mr. Turner) said that his new budget was going to prevent this, it would seem that either he or the Minister of Energy, Mines and Resources will have to reconsider his plans in order to maintain or increase exploration for oil in Canada. This is where the problem is, Mr. Speaker.

When the report to which I referred in the Canada Year Book of 1973 was made there was no doubt that at that time it was contemplated that exploration would continue. Under the policies of this government and this disaster minister, however, the situation has changed and we find that supplies will be inadequate in the foreseeable future. It is not difficult to see what will happen to Canada when this comes about. At the present time we are the only country in the industrial world that is self-sufficient in energy, but still our balance of payments is approximately $4 billion in deficit. What will be the position if we find that we have to import several billion dollars worth of oil every year? This is the course on which this disaster minister is leading us.

A bill to establish an oil company is not going to increase proven reserves. The oil is all there now and what is needed is a government that will allow exploration to take place and will ensure that supplies are available when they are needed.

I should like to quote from a brief which was presented to the National Energy Board by the Canadian Petroleum Association on February 6 this year. This brief states in part:

The underpricing of natural gas in relation to other fuel has been basically responsible for the disproportionate growth in demand for this fuel over the past half dozen years, compared with other types of energy.

Underpricing and an excessively high government share of the take have a depressing effect on exploration and development activity and thus lead to shortages. Increased supplies of gas may be needed in a year or two, because at current rates of growth in Canadian demand, shortages could develop that quickly. The CPA recommended that when the National Energy Board attempts to predict how much natural gas will be available to Canadians, the board should allow for the fact that higher prices will encourage oil companies to find and develop more gas and to produce more from fields already discovered. Conversely, at current price levels, large volumes of gas may remain

undiscovered and some of the reserves now known may remain in the ground, since they are beyond economic reach at present low net-back prices to the producer.

This development has not taken place, Mr. Speaker. Canada could do a great deal more to help in the exploration and development of this natural resource which is so vital to us now.

Today I asked the minister the cost of the government's publicity program to encourage the conservation of this natural resource in the last month, and he replied that it ran something over $700,000. I am still not sure what the government intended. I certainly would like to know why we spend $700,000 to tell people to conserve this natural resource when the price continues to rise. They do not need to be told. Would it not be better to spend the $700,000 on research facilities and try to make better use of the gas and oil that we have? I do not know the purpose behind this publicity campaign which ran in 44 Ontario papers and 14 papers in Quebec. I understand that approximately six million people live in Quebec and seven and a half million in Ontario—perhaps it is harder to get through to people in Ontario. The minister should explain what he expects to accomplish by this campaign. People are already conserving energy and the government is not using this money to the best advantage.

One of the departments of government has a "Why Not" campaign running at the present time, Mr. Speaker. Perhaps the Department of Energy, Mines and Resources should run a "Why?" campaign. Why do we need Petro-Can? Why not get into those areas that call for research and development? The manager of Syncrude has stated that the basic problem is that we do not have the technical ability to develop Syncrude. Surely the government could get involved here and assist in the training of people in the required skills.

What does the minister know about going out and getting leases in order to be able to drill for gas or oil? Will he have a large group of individuals moving about the country trying to get leases that have already been taken up by oil companies? Is he going to try to get seismic crews to go out and search for oil? Is he going to get oil rigs to drill in the areas to which the seismic crews point? Is he going to hire crews to develop sites for drilling, and is he going to have crews go in afterwards to level them off when they are dry holes? The minister should realize what he is getting into in establishing Petro-Can. I think he is making a great mistake in contemplating this because there are so many other areas where the government could serve a useful purpose, such as researching methods of extracting the conventional and non-conventional oil that we have.

● (2020)

Certainly, we are encountering problems in the extraction of oil from the tar sands. Syncrude faces difficulties. We possess tremendous amounts of oil in the tar sands and must devise an adequate technology for extracting it. The same is true of conventional oil. I am told that in some instances only 30 per cent of available oil has been redeemed. So, Mr. Speaker, the government can play a useful role in many ways. It can devise new methods of developing Canada's oil resources. I suggest it is a national disgrace when the Minister of Energy, Mines and Resources leads us on a crash course which will have disastrous consequences for all Canadians.

Mr. Ron Huntington (Capilano): Mr. Speaker, I have great difficulty in understanding Bill C-8. In no way can I support it. I rise tonight to express my deep concern about it.

When incentives cannot induce private industry to do the sort of job we want done in this field then I agree the state must move in and create a Crown corporation which will do the job. But this is not the case in Canada, particularly not in the industry we are discussing. The minister himself admitted that the industry has shown great ingenuity and ability in exploration and development. The government itself, by passing a series of taxation measures, has removed the decision-making base from private industry and interfered with incentives which make for a healthy industry and which were responsible for our resource development and energy reserves.

Considering the way the government has behaved since 1968, what can you expect but chaos, especially as free enterprise is hampered in its decision-making processes? This, of course, is the true cause of Canada's energy crisis. Federal confrontation with resource provinces, the imposition of socialist dogmas on our taxation laws and base, the changing of rules in mid-stream, and the removal of incentives from the private sector have made it all but impossible for private industry to meet the exploration and resource development needs of this great country. In addition, the government's refusal to act responsibly in the face of inflation in Canada has had this effect: it has confiscated private savings and capital to the point where there is no investor confidence. This applies to domestic as well as to foreign capital markets.

The government has made it all but impossible for our people to generate capital with which Canadians can develop and own a fair share of their own resource industry. Mr. Speaker, the government in Canada receives some 55 per cent of all after expense revenue, before a Canadian corporation can generate one dollar of new capital. I doubt if there is any other country in which capital is as expensive to develop as in Canada.

When a Canadian industry wants to sell its goods in Canada we protect it with tariffs. At the same time the government makes the creation of a dollar of new capital in Canada a very expensive process. So expensive is new capital that industries which need risk capital for resource exploration and development find it difficult to get Canadian capital. The government has discouraged taxpayers from risking these precious, expensive, new dollars of capital generated in Canada.

I ask the minister to compare the cost of drilling a hole in Canada when the capital used in the process is owned in the United States with the cost of drilling a similar hole, undertaken at a similar risk, when the capital used in the process is owned in Canada. No wonder 90 per cent of energy resources in Canada are owned by foreigners. Where is the sense in present government policies, considering that between now and the end of the century we must develop our potential for energy self-sufficiency?

Mr. Woolliams: That is absolutely correct.

Mr. Huntington: I will ask the minister to look at the cost of creating a dollar of capital in Canada, then compare that cost with the cost of creating a dollar of new capital in the United States, in Switzerland, in Hong Kong and the Caribbean where, as the government knows, there is a tax shelter.

We protect our eastern Canadian industries with tariffs, but do not protect our home grown capital from lower cost capital generated abroad. It is small wonder that we have such a high percentage of foreign ownership in our resource industries.

The government knows the cost of generating capital in the areas I mentioned. It knows about tax shelters in the Caribbean. The Canadian Development Corporation, which took over Texas Gulf, knows about them as well. Once the CDC acquired a controlling interest in Texas Gulf, a foreign company, what did it do? It transferred ownership off-shore, to a Dutch holding company operating in a tax haven in the Caribbean. The government knows how the international capital creation mechanism works. It knows how capital, at reduced cost, can be created. Why does it not apply its knowledge to our tax laws in Canada so that we can reduce the cost of creating new capital and thus enable Canadians to participate more fully in the ownership of this country's industries?

I point to what Polymer Corporation, another CDC-owned corporation, has done. Working through an off-shore trading company it transfers profits made in Canada off-shore; it pays a tax rate of between 7 per cent and 8 per cent in Switzerland, as opposed to the rate of 55 per cent it would need to pay in Canada. The company knows, of course, that if it did not pay the tax in Canada, the debt would be deferred.

I conclude that, as the government is possessed of this knowledge, its interference with the decision-making process of Canadian industry is deliberate. Therefore Bill C-8 is but one more step along the way to state capitalism in Canada.

Do we really understand what is a dollar of new capital? It is the residual of income, after you have paid all expenses and taxes. The government has access to a revenue trough slopping over with dollars. If it needs more, the printing presses print more. How can the private sector compete with that kind of resource money? It is impossible.

What does a dollar of after tax profit cost a taxpaying corporation in Canada? May I remind you that the Government of Canada has first call on the net income of any taxpaying private corporation in Canada. How can private industry compete with Petro-Can? How can it compete with the type of buck the Canadian government has for the development of resources?

One hears much talk of public ownership and public equity in an enterprise. Perhaps one could justify such equity in a company like Petro-Canada or the CDC if the equity capital were created from federal budgetary surpluses. If the government created capital that way it would have to budget for its expenditures; in addition, it would need to budget for a surplus. It would need, above all, to be honest with Canadian taxpayers, but I guess that is too much to ask.

[Mr. Woolliams.]

If the government had to acquire its capital from budgetary surpluses it would need to show some respect for its tax dollars and for the tax burden it has placed on the shoulders of the work force of Canada. The ministers and their mandarins would have to be frugal enough to protect their budgetary surpluses in order to be able to invest in a capital project such as Petro-Can. There would then be an incentive for the government sector to create capital, to budget for surpluses, to be careful with tax money, and to be careful with the purchasing power of it, instead of the sickening situation we have at present. There would be an incentive for the departments of government to be productive, creative, and to participate in private capital programs with the incentive sector of the country. Most important, there would be an incentive for the government to have some respect for the taxpayer.

● (2030)

Foreign ownership, with all its emotional problems and excuses for more and more confusing legislation, could be corrected if we amended our tax laws and started once again to encourage Canadians to save and invest in their own resources and industries. All this confusion over foreign industry is caused by our lack of understanding as to what a dollar of capital truly is, how important it is, the risk nature of it, its creation, and the fact that it has to be competitive with other industrialized nations of the world where it is also being generated.

The most mixed up, disastrous, social dogma to be imposed on Canada yet is the syndrome that a buck is a buck is a buck. Only people who have never earned or saved a dollar of after tax income could agree with such nonsense. The fact is that a buck is a buck is not a buck when you are dealing in dollars of capital. A buck of capital is too hard to get and too precious to risk in Canada without offsetting incentives.

Since 1968 we have somehow or other removed from the Canadian scene those offsetting incentives and created the dilemma in which we find ourselves today. With a realistic knowledge of the facts that motivate men, this bill, along with many others, would not be necessary. In fact I categorically say it is not necessary.

I wish to reply to some of the reasons the minister gave for this infamous Petro-Can bill. In his speech at second reading the minister admitted that the privately owned oil industry has a good record of technical and management innovation. The incentive system has a habit of creating good records. Why has it been removed? Why has a climate been created where only something with state money can survive? I cannot foresee this solving the needs from now to the year 2000. I cannot see it solving the needs of the energy crisis we will have in the next eight years.

Some hon. Members: Hear, hear!

Mr. Huntington: The minister said he was concerned about the future. He believes that a significant degree of federal public enterprise is needed. I again ask, why is it needed? It is needed because the tax legislation has destroyed the decision-making bases of the country. It has created complete confusion in the private sector. It has removed the incentives that make a man tick, make him

innovative and make him take risks. There is no longer any motivation.

Dealing with federal public enterprise may I take a few minutes to enumerate how this drift to state capital has worked so well for the government. At the opening of this debate the hon. member for York-Simcoe (Mr. Stevens) drew to the attention of the House the national finance report of 1974-75 which lists the performance of all the Crown corporations of Canada. At the end of 1974, they had borrowed some $13.8 billion from the public trough.

An hon. Member: Oh, oh!

Mr. Huntington: I will not bore you with too much of it. You are the only one over there who has read it.

They will have returned, but not to the public trough, on balance sheets some $1 billion in earnings by the end of 1975. The deficit list grows and grows because there is no incentive for those corporations to perform. If they make a mistake, there is more in the trough. They roll over their borrowings. They do not pay them back. They work at the government cost of money, not the cost of money with which free enterprise has to work. They do not return taxes to the federal treasury as they say they do. They just defer tax. Look at the hundreds of millions of dollars deferred.

The crowning one is this beautiful portfolio, Air Canada. Air Canada people cry and complain about the cost of their capital, and they borrow money that they never pay back. They just roll it over. They buy it at the cost to the Canadian government. The cost goes down to 3.9 per cent. The highest they paid on a little bit was 7.6 per cent, yet they cry about this interest burden on their operation.

Air Canada came out with a statement that I thought showed it would be $9 million in the hole. In actual fact, by the end of this year they will have reduced their retained earnings by $9 million. In addition, another $9 million will be lost by reducing their deferred income tax. They will have lost $18 million even though they have a monopoly with the cheapest sources of capital in the world. They cannot even perform at a profit or compete with anybody else in the incentive sector of this so-called industrialized nation. We are creating something that will be bigger than Air Canada. It will be more wasteful.

What we are doing with this Petro-Can bill is building political bases with performance disasters. No one in this House can believe that Petro-Can will be any different. I wonder who the new mandarin heading it will be?

I will move on to the minister's next point. He is worried about dealing with overseas states. He thinks we now have to deal on a state to state basis. What are the Department of Industry, Trade and Commerce and the Department of External Affairs for, Mr. Speaker? Why do we have trade commissioners offshore? We used to have, and probably still have a service that is respected by trading nations all over the world. Now we need something else. Why? The minister worries about security of supply. He feels this Petro-Can bill will ensure our supply from offshore nations. Just remember the last oil purchase in which the government got involved.

What really got me is the minister's statement that the majority of Canadians want a broadening of Canadian ownership and thus this Petro-Can bill. When I look at the performance of Canadian ownership and all these other Crown corporations alongside ownership where the capital was expensive, tax paid and the performance by incentive, I cannot understand how the Canadian people got into this opiate state. Canadian people want tax laws that give them an incentive to save, own, compete and have something worthwhile that they have done on their own for their old age. That is how we should be legislating.

● (2040)

Also in Petro-Can I notice we have got a new school opening. He finds it very exciting that we are going to be training the native people for the industry in the north. Mr. Speaker, may I ask you where the Department of Manpower has been with all its training programs? Where has the Department of Indian Affairs been with its knowledge of this problem and its so-called inter-ministerial relationship with the Department of Manpower? More duplication. Do we really need it? Why do not the departments which were first created for these purposes function properly?

The minister also advises us that there is to be a corporate business framework subject to basic disciplines, with an operating statement and a balance sheet. I will show you another one, Mr. Speaker, and I bet you Petro-Can will not even duplicate this one. The minister cannot stand short term profit maximizing. He says short term profit maximizing under the petroleum industry is not in the best interests of this country. I am not a great admirer of large capital organizations because I think some of them are as bad as state run organizations, if not worse. However, I have taken account of the billions of dollars which the oil industry in Canada, even granted the extent of its foreign ownership, has invested for the future in exploration and in attempts to expand the known reserves of energy in this country. This work stopped as a result of legislation given to this country by the government across the way.

The minister also stated he wanted a vehicle to mobilize capital. The initial capital is to be $500 million. Where is it to come from? It is to come from the Consolidated Revenue Fund, that great trough. But it is this $500 million which will provide the vehicle for borrowing a billion dollars. From whom, for what? The money press? Tax reform would make all this unnecessary if there was any understanding of how the incentive sector works and the motivation that any system needs if it is to solve the problems and crises we shall be facing tomorrow.

Another suggestion I would like to put forward to the minister is in the area of the capital needs we shall be facing between now and the end of the century. I am sure this suggestion has been made to him by some of the members in this party before now. It is to increase the velocity of the use of capital in this expensive northern development, as has been done in the case of the North Sea development. I might say that countries almost as socialized as this one have seen fit to allow 170 per cent return of original capital before taxation and have seen fit to give further blocks of the resource to extractive organizations so that they, with their knowledge and technology, and

their people and men, can go ahead and perform these expensive risk projects with some sanity and with a minimum of waste.

Why are we not moving in these proven areas of known business technique instead of this circus of Petro-Can? The minister points out that the investment required is large and beyond the capability of any single corporation to provide. That can be resolved by increasing the velocity of use of capital and giving incentives to Canadians to save and create capital for our needs. All we are going to get from a state capital organization is inefficiency. There is no motivation for success within it. A buck is not a buck when it comes to this type of need and activity in Canada.

If the government were to move in harmony and partnership with the incentive sector, if it would combine its cheap buck of capital with the talent and initiative of those who react to incentives. Then we would start to make progress in this country, then we would start to own our own resources. The government itself, through the defects inherent in its own organization, is doomed to failure as the performance of these 131-odd Crown corporations shows.

The minister says he wants to participate in exploration, development and research. I agree. But do we not already possess in-depth organizations capable of this? Why should there be more duplication?

He claims that the public company can import at lower cost than can a private concern. We have seen no example of this to date and I doubt very much that we shall encounter one in the future. The track record of Crown corporations and government bureaucracy just does not support the minister's dream.

He worries about the extent of foreign ownership of our resource industries, now standing at 90 per cent. No wonder this is the case. We have never in Canada had tax laws which allowed us to generate capital competitively with other countries. And here is the greatest sin against the Canadian people. Let us give incentives to Canadians, not to foreigners. We continue to allow the import of low-cost capital from Hong Kong, Switzerland and the Arab countries. How can we ever compete when it costs about 50 cents out of every dollar to create a private dollar of capital in Canada?

The Petro-Can bill before us, Mr. Speaker, is just another move by the government toward state capitalism. The powers in this bill are too broad. With some people you just have to tell them what you are going to say and then as you are closing you have to remind them again of what you said. The powers in the bill are too broad to be justified by the reasons given by the minister. The track record of state-owned Crown corporations working without incentives give us no hope that Petro-Can can be anything but just another Liberal barrel. Not an oil barrel, Mr. Speaker—a big pork barrel.

Mr. Joe Clark (Rocky Mountain): The basic objection one has to take to Bill C-8 is that it is a fraud, Mr. Speaker. It does not do what it purports to do. It does not achieve the goals which the Minister of Energy, Mines and Resources (Mr. Macdonald), when introducing the bill, suggested would take a long time to become evident. It does not do those things, but it does do a number of things

which are not listed among its purposes and which have, indeed, been denied from time to time by spokesmen on the government side.

It is clearly going to change, without any cause, the relationship between the private and the public sector in the country; it is going to change the climate which exists in the petroleum exploration industry, and it is going to change this relationship for the worse. So, Mr. Speaker, it is a bill which fails to do those things which it is purported to do and, indeed, is a cover for smuggling in an influence which has the potential of doing serious harm to the Canadian economy and to Canadian society.

When the minister was introducing this bill on March 12 he went through an extensive effort to explain to us all why it was necessary for Canada now to approve this new bill to set up the Petro-Canada Corporation. At one point he said, and I quote him in the direct language he used:

> The government does not feel assured that the private sector can be relied upon to mobilize all the enormous amounts of capital which will be required to secure energy development consonant with Canadian needs over the longer term.

In other words, he thinks that over time the private sector is going to turn out to be money short. So what does he do about that? He sets up a corporation to be funded at $500 million. I remind the House that this sum is roughly half of what the government spent last year, and proposes to spend, on consultant fees. Proposing to compete with a money-short private sector, the minister intends to set up a Crown corporation which is to have operating capital amounting to only half of what the government now spends on supplementing its own public service by employing consultant services.

The minister went on, trying to find a second reason he could offer us. He raised a further concern, and again I quote him:

> Nor can it be certain that faced with attractive investment opportunities and geological opportunities abroad the private oil industry will be able to concentrate as much effort on our own petroleum prospective areas over the next decade as our needs require.

Now that raises two kinds of spectre, Mr. Speaker. One, of course, is that it creates the implication that Petro-Can, which we are funding and which the Government of Canada will be required to fund from now on into the future, will keep looking for oil and will keep spending Canadian money in the search for oil after it is no longer profitable to do so. Perhaps we could spend that money better by procuring supplies from elsewhere in the world. Clearly this implication is in the justification offered by the minister, and it causes concern for everyone, whatever be their view as to private sector involvement, that public money should not be spent foolishly.

● (2050)

The other aspect that is alarming here is the reference of the minister to the possibility that the private sector will have to pull out of the search for oil and production of energy. The fear expressed by many members here, one that is enhanced by and continued on the back of this particular bill, is that the private sector will not pull out voluntarily but instead will be forced out.

It is clear to anyone who has watched the events in this country unfold relative to the energy question in the last

few years, and particularly within the last two years, that a great climate of uncertainty has been created, first by the failure to reform the tax laws and build in incentives, secondly by the invasion of previously held provincial jurisdictions by the federal government through its export tax, and finally by the continuing conflict over jurisdiction and energy related matters between governments. It is that, as much as anything, that raises some questions as to the capacity of the private sector to carry on in this field.

We also now have the personification of an interventionist philosophy in the Petro-Canada bill. This is one more piece of evidence causing fear and uncertainty in the private sector, one that causes people and companies that have spent a great deal of time and money developing Canada's energy potential to look elsewhere. In addition to that, whenever a Crown corporation in this country is established the prospect of unfair competition is raised, and this must be considered and gauged by the private sector.

The minister also indicated that this new Crown corporation was necessary in order to purchase from abroad. As several members on this side of the House and elsewhere have pointed out, the government does not need this Crown corporation, this fraud of an act, to achieve that capacity because it already has it in the Department of Supply and Services, that great department that is so expert at buying expensive oil and recruiting Koreans. It might not be very intelligently applied, but nevertheless that capacity is there. It is simply unnecessary duplication to use this requirement of capacity as an attempt to justify this fraud of an act.

Then the minister said this:

> The national petroleum company may also be able to play an important role in regional development.

I suppose that means that in future Petro-Can will be drilling by the DREE principle. In other words, perhaps it will abandon geological considerations in determining where to drill, and will go into areas of high unemployment or where there are a lot of Liberals. The fear that most of us have when we look at the prospect of drilling by the DREE principle is that most of the activity will be in Montreal or Rosedale.

Another of the major justifications that the minister offered for Canada having a national petroleum company, and for passing this bill, is this: the minister said, as reported at page 4038 of *Hansard:*

> It is a striking fact—

It appears that even the facts in this country are striking, Mr. Speaker.

> —that every one of the dozen countries from which we import significant quantities of crude oil has its own state oil company and is progressively increasing the role of that company in relation to international transactions.

Many of those other countries also have vast expanses of sand or tropical forest. Is that any reason for Canada suddenly to create a Crown corporation to become engaged in the creation of vast expanses of sand, or in any way to duplicate corporations in other countries? It is simply a silly proposition for the minister to suggest that Canada has to have a state petroleum corporation because other countries have one. That is the height of silliness, yet it is clearly one of the justifications offered by the minister in his opening remarks.

A final justification offered by the minister, as well as by some of his colleagues, is that we have a mixed economy. We have a tradition of public and private corporations, and public and private participation. Of course we have. That is a tradition of which I am personally proud, and which distinguishes this country. But I do not believe that the reason we have a mixed economy now is any justification to mix it up some more simply for the limited purpose of mixing it up.

We need a Canadian Broadcasting Corporation, a state corporation. The justification for the creation of the CBC was not that we had a mixed economy situation; the justification was that we needed a state broadcasting agency. There is no such need here. It is fatuous for the minister and his supporters to suggest that simply because the state has acted in areas where it is necessary for it to be active, it also has to be active in fields where there is no requirement at all for it to be active—a field such as this.

In all of his justifications—and perhaps we will hear some more tonight—the minister has been unable to explain the basic question that is posed about this bill, which is: why do we need it? Why do we need Petro-Can? Either he cannot explain it or he will not explain it.

In my view, the real reason for this bill being put before us is the same as the reason for the raid on Alberta's jurisdiction regarding energy matters. It is the same reason that the minister's colleague is holding up the development of cable communications across this country. Quite simply, the reason is that the government wants power. If the government sees something moving in the country, it wants to get into the act, not as a mediator, not as a regulator or in the traditional way that the federal government and governments as a whole have operated, but as a controller. It wants power. It is prepared to extend its influence and its activities by intruding upon the jurisdiction of the provinces, by moving into the private sector whatever the consequences. It is preoccupied with extending its own power and influence whatever the cost. That is the real reason why we have this piece of legislation before us tonight.

In reviewing the powers that are set out for Petro-Canada in this legislation it occurred to me that the people of Canada surely do not realize how extensive a carte blanche they are giving this Crown corporation in the bill before the House. It is a fact that most Canadians do not read clause by clause the majority of the bills that are put before the House. In introducing the bill the minister said it was quite straightforward and simple, that the language was not particularly technical. That is true. But as well as being straightforward it is horrendously alarming in view of the kind of power being vested in this particular Crown corporation. It is a corporation that is not simply answerable to the cabinet; it is more complicated than that. The fact that it is to be told by the cabinet from time to time what to do makes it even more dangerous than its not having to report back to or be controlled by this House.

● (2100)

I want to review some of the powers that are set forward for this Crown corporation, or agency of the Liberal government, that wants to extend its powers simply for the purpose of extending them. For one thing, clause 7 goes right through the alphabet from 7(1)(a) to (z), and it makes it absolutely clear that the powers of this corporation are not limited. It can do almost anything. Let me point out that 7(1)(a) states that the corporation can:

(a) carry on any other business that may seem to the Corporation capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Corporation;

There is no limit at all in that. This corporation could get into the building of rickshaws, or it could operate laundries or anything at all in the country, once we embark upon the ambit of that particular piece of legislation or provision. Indeed, not only could it get into anything in this country, by another provision it could get into anything in any other country, if any other country would be so foolish as to let it do so.

There is also clause 7(1)(d) which provides that the corporation can enter into partnership or into any other arrangement for the sharing of profits, etc. I think that holds out a very alarming prospect for a kind of coercion or leverage which can be brought to bear on various private sector companies already operating in the petroleum field or, indeed, in the rickshaw field, because when a Crown corporation, with the amplitude of powers this corporation has, comes up to you and suggests that you should go into partnership, and you live or die by their regulations, you are going to be inclined to go into that partnership although it may not be the thing you want to do.

This is the kind of power which, in the hands of a board of directors or of a government that was malevolent toward the private sector, or toward any individual, could be used in a very seriously harmful way.

In clause 7(1)(l) there is provision for the corporation to lend money to persons having dealings with this corporation or dealings with any other corporation. Later on in (n) there is provision for the corporation to sell anything at all, from the land to the trucks that run on it, to the plush chairs and leather couches in the executive suite. It can sell anything.

The bill goes on to say that this power does not simply rest with the directors. The power to activate this broad sphere of powers set forward here, or this capacity, can be overrun by clause 7(2) which says that the corporation shall comply, and I emphasize that word "shall", with any directions given the corporation from time to time by the Governor in Council or by the minister. So this wide range of powers is not simply to be exercised by whatever group of lucky Liberals the minister appoints to the board of directors. These powers can also be exercised by the government, or by the minister whose tact in these matters is well known. These powers can be exercised by this person unilaterally without the country knowing anything about it. This is a tremendously wide range of powers capable of the most direct political interference, and by statute.

[Mr. Clark (Rocky Mountain).]

I note that the hon. member for Nipissing (Mr. Blais) shakes his head, and well he should in view of this wide range of powers outlined in this bill. These are powers that are not simply to be used by the board of directors appointed by this Liberal government for the purpose of the Liberal party, but are powers that can be interfered with by the government directly because it has the power to order compliance on the part of the board of directors in respect of anything which the government, from time to time, chooses to have done.

As far as I can see, the budget of this Crown corporation can be approved virtually without reference to parliament. All of the directors are appointed by the cabinet and are themselves empowered to delegate certain of their wide powers to various anonymities or nephews across the country.

There is the possibility under the provisions of this bill of the government making loans on special terms to Petro-Can. I understand these specific matters are to be dealt with later, but it is important to the people of Canada and the members of this House to understand the wide range of powers we are giving this group of 15 Liberals to be appointed by the minister. These powers are also being given to the minister in view of the fact that he can move in and force the board of directors to comply with any particular whim he wants complied with at any time.

The point has been made many times, apparently without effect on the minds of members opposite, and has been made even by the minister, that it is going to take a very long time for this Crown corporation to have any appreciable impact on prices, supply, or individual concerns in Canada in relation to energy. You cannot start a major petroleum company overnight, and this one will not be started overnight. Its impact will not be felt for a long time, perhaps never, and there is the danger that, given the long start up time involved and the suddenness with which alternate energy supplies can come into being, we will be setting up a $500 million per annum white elephant, because it may be that before this thing gets to the stage that it is useful to the Canadian people the particular function it is supposed to perform will no longer be there to be performed, or no longer be profitable to be performed, and at that time it may well have to get into the production of rickshaws.

Mr. Knowles (Winnipeg North Centre): Maybe it could go into dredging.

Mr. Clark (Rocky Mountain): As the hon. member suggests, perhaps the corporation could go into dredging. There is a very real danger here to which I should like to refer briefly, namely, that Petro-Can will become subject to special treatment by the government. The government is in the unusual situation of establishing regulations and rules by which it and other players must play, but it is the only player in the field which has that capacity. There is bound to be some suspicion that Petro-Can will enjoy an unfair access to information. There is bound to be the suspicion, or the probability in reality, as there is in respect of Panarctic, that the virtually unlimited budget of Petro-Can will allow it to interfere with the hiring practices of other companies with which it is presumably in competition.

What we are establishing here is not just another oil company, it is an oil company with virtually an unlimited budget behind it, and playing as the only player in the field who is also the referee That is the very dangerous aspect of any intervention of this kind.

There are a number of other options available to the government in achieving the goals it says it wants to achieve by establishing this Crown corporation. It could have extended the powers, the activities and the budget of Panarctic. It could, as the hon. member for Capilano (Mr. Huntington) and others have said, put incentives into the Canadian tax law to encourage Canadians to invest in the energy field, and encourage foreigners to divest themselves of Canadian interests, thereby increasing the Canadian percentage of control in this field.

There is also, as has frequently been mentioned before, the option insofar as imports are concerned for purchases by the Department of Supply and Services. It already has the power we are vesting in Petro-Can. If there is a genuine concern on the part of the government about the private sector, and a genuine appreciation of the capacity of the private sector to do the job, there is the option for the government to go ahead now and enact regulations regarding exploration in the north which would give the private sector a fair chance to prove what it can do in the frontier areas where the minister says this Crown corporation will concentrate its activities.

● (2110)

There were a variety of other things that could have been done instead of establishing this particular Crown corporation. But they were not done, not for reasons related to energy or even for reasons related to a philosophy about a mixed economy. The reason those other options were not taken was that they would have interfered with the basic goal of the government in this bill, as in so many other actions, simply to extend its own power. That is the only general over-all policy the government has. It is a policy to extend its own power, to get into more things whether they are traditionally things which belong to the private sector or traditionally powers which belong to the provinces. It is the only philosophy the government has, and it has been the motivating policy in the establishment of Petro-Can here. We have it clearly demonstrated in the question of the intrusion upon the jurisdictions of the provinces, the intervention into the provincial jurisdiction relating to energy matters and petroleum.

This is not, as the apologists might suggest, for the purpose of protecting any part of Canada against any other part of Canada because negotiations as to price have been conducted, as this one is being conducted this week, by first ministers sitting down together and reaching an agreement. There was no need to have an invasion of a provincial field in order to accomplish that purpose. It would have been accomplished in any event. The motive of the government in that particular intervention was not price but power. It was an attempt to enlarge its own sphere of power, not with any particular purpose in mind but simply so that it could have and exercise more power.

I regret that the Minister of Communications (Mr. Pelletier) has left the House. Again we have seen a similar determination, or a similar willingness by the government to frustrate completely the development of cable communications in this country because of jurisdictional questions. The people in my constituency and in your constituency, Madam Speaker, as well as in every constituency in this country, perhaps with the exception of a few major cities, are suffering because jurisdiction over cable is unclear. The capacity of whatever government will have that jurisdiction is unsettled. That has directly to do with a determination to aggrandize power, which is the single motivating philosophy of the government. It is a philosophy perhaps which involves fouling up anything and intervening anywhere, in the private sector or in the provincial sphere, simply to extend the government's powers.

There is no demonstrated need for Petro-Can. The reason we have this legislation simply is that the government wants another Crown corporation to do what does not need to be done, and to duplicate what is already being done in other aspects of government. That is insufficient reason to ask for the approval of this House to obtain $500 million, and perhaps more, each year. It is for that reason I, and other members on this side of the House, intend to vote against this particular fraud of a bill at this stage, again in the committee, and again if it comes back to the House for third reading.

Mr. Don Mazankowski (Vegreville): I realize, Madam Speaker, that there have been a number of speeches on this particular piece of legislation. I wish to say there have been a number of excellent speeches this afternoon and this evening. It is unfortunate that members opposite just close their ears and tend to ignore the very good points raised by members on this side of the House. Many of those points are very legitimate. I think if members were objective in their assessment of the deliberations they would find that the speeches have been very thought provoking, sensible and reasoned.

The hon. member for Edmonton West (Mr. Lambert), this afternoon in his comments during a very well reasoned speech, referred to this piece of legislation as merely a gesture toward fulfilment of Canada's energy requirements. While it may be a gesture insofar as fulfilling that purpose is concerned, I want to say that in my opinion it is a horrendous gesture, and perhaps nothing more than an octopus which is unwieldy and which we could do without. In a society which is already saturated by the complexities of large central bureaucracies and dominated by them when, in my view, society could be more effectively served by the private sector, I find it startling that so many members opposite blindly find comfort in supporting this measure.

This having been conceived during the days of unions I would have thought the government in consideration of the NDP might have seen fit to drop this measure which, in my view, we do not need. There is no need to create an empire such as this. I believe experience tells us that such enterprises become unwieldy and out of control. We have only to look at the operations of the CBC. The hon. member for Annapolis Valley (Mr. Nowlan) today mentioned the fact that the CBC requires some 22 odd people to cover the Commonwealth Conference in the Carribbean while its counterpart, CTV, will be covering that same operation with one cameraman and one reporter.

I think the hon. member for Capilano (Mr. Huntington) very accurately defined the operations of Air Canada vis-à-vis the private sector, notwithstanding the fact that CP Air is confined to limited access in respect of domestic routes in this country. When we look at the performance and efficiency of any Crown corporation we find that it does not stack up with its private enterprise counterpart, except in losing money as my colleague from Central Nova pointed out.

I have listened to a number of speeches in this debate, and have read others. It has seemed to me that many members opposite presume that this Crown corporation will in fact solve the bulk of the fossil fuel problems we have in this country and give the federal government a firmer hand in dealing with the producing provinces and the multinational corporations.

We hear in effect from members opposite that the corporation will provide the major impact in respect of self-sufficiency and advanced technology. One member, I believe the hon. member for Peel-Dufferin-Simcoe (Mr. Milne), indicated that this corporation will be the major supplier and holder of a great new amount of technology under its licence. We note as well that they contend this corporation will become a major instrument for providing cheap energy.

They go further to say that the measure is necessary for the government to move in with a petroleum corporation in order to check rising prices. In my view this argument is fallacious as well as simplistic, for we have only to look at any Crown corporation to see that it does not provide services more effectively or efficiently than a private corporation. In most cases, because the Crown corporation is the recipient of generous public subsidies it is even more inefficient and ineffective. The best that can be said for these arguments is that they are nothing but rhetoric.

I am disheartened by the superficial analysis some members have made in respect of their approach to energy problems. It seems there is a greater desire to protect a political doctrine than to deal with energy problems. If we are honest with ourselves in dealing with prices we know that our prices should not and cannot vary too much from the world price. That is one of the reasons why we are having a national energy conference starting in Ottawa this week. So far as self-sufficiency is concerned, it is closely related to our exploration ability and activity which at present are at a very low ebb. Unless the political and economic climate changes, we will experience a continuation of this dearth of exploration activity. We are told that no less than 50 drilling rigs left Canada this past year because of the political climate and because of the confusion of the federal government. The count continues to decrease in 1975, and 75 per cent of the rigs have left for more profitable off-shore markets, leaving us in short supply.

● (2120)

Security of supply is indeed the most important element in our efforts to meet our energy needs and requirements. In my view, if this bill ensured in some way a security to supply, perhaps it would merit some support. However, I contend that this bill will not do that, and I think that we have to address ourselves to the problem of exploration. The choice is ours, either to explore or not to explore, and I do not believe that this bill will provide any initiative, incentive or new direction in exploration and development.

Surely one of the major elements in our effort to resolve the energy problem is for the federal government to take a more positive role in defining an effective, realistic and comprehensive national energy policy. We must have a climate which is conducive to exploration and development, and that is something that we have not had in the past 12 to 18 months.

As I said in my opening remarks, a number of excellent speeches on this bill have been made such as, for instance, by the hon. member for Don Valley (Mr. Gillies), the hon. member for Regina East (Mr. Balfour), and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). I should like to refer to the comments made by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Foster). I found some of his comments to be rather amusing because it seemed to me they might more appropriately have come from a member of the NDP rather than a member of the Liberal party. He suggested that private enterprise could no longer meet the demands imposed upon it. I do not know what intrepretation to place on that comment, but if he is suggesting that we are now living in such a complicated technical era that only government enterprise can meet the challenges of the day, then I say to you, Madam Speaker, that there is very little hope for this country.

I believe that the hon. member is wrong in his assessment. I believe that his assessment is nonsensical and illogical, because if we look at the past and into the future we will realize that the major breakthroughs in our scientific and technological achievements have not come from government enterprise but indeed from the resourcefulness, initiative and dynamism of the private sector. All this can be achieved, provided the climate is conducive and that there is no undue government interference, in other words, that the shackles of government do not unduly inhibit the process.

I submit that, given the right climate, private enterprise can continue to provide major breakthroughs in our scientific and technological achievements. Governments have tended to restrict and interfere too much—particularly this government—rather than to promote the initiative to which I referred.

The parliamentary secretary indicated also that there was lack of substance in the contributions to this debate by opposition members. The parliamentary secretary has not been listening carefully, and I suggest to him that he read some of the speeches that have been made because some very constructive suggestions have been made and important warnings have been advanced, for instance by the hon. member for Rocky Mountain (Mr. Clark).

As has been pointed out by other speakers, the bill before us gives to Petro-Can broad terms of reference. First, it gives Petro-Can the authority to explore, develop and exploit oil and gas deposits within and without Canada. In my view this ignores several facts.

The Canadian government, as we all know, is already involved in exploration and development under the aegis

of Panarctic and through Syncrude. Petro-Can will only duplicate these efforts and, as many speakers have pointed out, will only increase the bureaucratic employment opportunities for many Liberal friends who, I know, will find a very happy home within the directorship of this organization. It has been suggested that the minister himself may be vying for the position of the president of this new corporation. Furthermore, most of the lands expected to yield substantial new oil and gas reserves are already under lease. Further, the minister said that because of attractive investment opportunities and geological opportunities abroad, private industry will not concentrate as much effort in Canada. I submit that if he truly believes this, then why does he give Petro-Can the authority to operate outside Canada?

Second, Petro-Can has the authority to carry out research and development projects on all types of fuel. In my view this is a crucial area because we are told that oil and gas reserves are not limitless. However, can this area really be given much priority by Petro-Can when there are so many other duties and responsibilities to be performed? I think not, because historical facts have shown all too often that in the order of priorities research quite frequently fails to come anywhere near the top of the list. Perhaps it might be more advisable for these funds to be allocated to the National Energy Board which would conduct the type of research referred to.

Third, Petro-Can has the authority to engage in exploration, production, distribution, refining and marketing of all fuels. This places Petro-Can in direct competition with existing enterprises. It is rather difficult to envisage Petro-Can successfully competing against these large enterprises without spending huge sums of taxpayers' money in areas which are now adequately and effectively served by the private sector. Such a scheme is questionable, and furthermore there is no proof that Petro-Can can provide Canada with energy, either gas or oil, cheaper than is presently being provided by the private sector. One only has to look at other Crown corporations, such as CNR and Air Canada, to see that we are paying the going rate and we are not getting a break in our fares. As a matter of fact, if you look at ABC charters you will find that foreign carriers must file a tariff not less than that tariff which is provided by the Canadian flying concerns. So in no way can we envisage cheaper prices under the terms of this bill.

Fourth, Petro-Can has the authority to negotiate for and to acquire petroleum products from abroad. The experience of the Department of Supply and Services in this area speaks for itself.

The bill states that Petro-Can will be given an authorized capital of $500 million. However, I think that we all realize that in order to set up an effective national petroleum corporation something in the order of $3 billion to $5 billion would be needed, and the task would take 15 to 20 years.

According to this bill, Petro-Can has the authority to lend money to virtually anyone. It can borrow and issue debentures at will, and if it asks for government assistance there need only be the approval of the governor in council. Despite the fact that it would be set up and operated with public moneys, the public through parliament would have no control over it. What bears a great deal of consideration is the fact that Crown corporations at present are not subject to adequate scrutiny by parliament.

● (2130)

The terms of reference that we have under our present Standing Orders with respect to standing committees do not allow members of this House to scrutinize effectively and thoroughly the activities of the officials of Crown corporations. If the number of Crown corporations is to increase, we must find a better way to scrutinize their activities. These organizations operate under a veil of secrecy endorsed by the government and I can give you an example of this, Madam Speaker. On February 19, in a motion for the production of papers, I asked as reported at page 3362 of *Hansard:*

> That an Order of the House do issue for a copy of the Air Canada contract and all additions, revisions and amendments thereto.

The papers were not produced and the reply of the Parliamentary Secretary to the President of the Privy Council was:

> The Air Canada contract contains considerable confidential information relating to the organization, operation and maintenance of the Air Canada lines. Air Canada's competitors are not obliged to provide such information or expose their contractual arrangements to similar scrutiny. To place Air Canada in such a disadvantageous position would not be in the public interest. Under these circumstances would the hon. member agree to withdraw the motion?

Unfortunately I was not in the House at that time, but the hon. member for Fundy-Royal (Mr. Fairweather) asked:

> How can a monopoly be at a disadvantage?

The item was transferred for debate. I followed the matter up and found that the document, along with all original documents dating back to 1946, and all amendments provided by order in council up to and including the contract year ending 1976, were available at the Public Archives.

If we are to have a proliferation of this type of public enterprise surely the public has a right to know how they operate. The government should grant greater authority to the standing committees, or to some instrument of parliament, to examine a detailed analysis of their operations and activities.

In the last parliament when consideration was being given to the CNR financing bill, members of the Standing Committee on Transport and Communications were frustrated in their efforts to extract information from the officials of that Crown corporation. Their stock answer to questions was that it would not be in their competitive interest to provide the information and that the competitive company which is a private corporation is not obligated to provide the information. This sort of nonsense must stop, Madam Speaker. We must get back a greater degree of control and scrutiny so that the public will know what is happening.

In a document entitled "Policies for Social Conservatives" released on March 1, 1975, Mr. R. C. Quittenton made a statement with which I whole-heartedly agree, when he said:

> It is an ironic fact that the owners of the socialized enterprises, the

voters, have far, far less access to the officers of the socialized enterprise than do the shareholders of the capitalistic enterprise. Yet socialist theory makes much of the image that the enterprise belongs to the "people". When does the President of Air Canada face the taxpayers and account for his stewardship? Indeed the more dogmatic the socialist theory becomes . . . the less access the "people" have to the operation of the socialized enterprises. Irony becomes tragedy.

If we are to have socialized enterprises, established for the benefit of the people, then clearly they should be operated for the people and not for the government of the day. Only in this way can the productivity of such enterprises be raised to the point where they are making their full potential contribution to the standard of living of the people. Fortunately the solution is simple and the means are at hand. Accountability must be increased and the involvement of the civil service network must be decreased. These ends can be met by having the people elect a board of directors for each socialized enterprise, with an annual report and annual public meeting and by having the government elect one-quarter of the directors.

I think that statement has a lot of merit, Madam Speaker. This bill will pass and we will continue to have Crown corporations, but it seems to me that a much improved system of checks and balances is needed to ensure that there is parliamentary control of objectives, general direction and financing, without unduly impairing the day to day operations of the corporation.

One method of improving the present state of affairs would be the adoption of certain principles followed in the United Kingdom such as the establishment of a select committee on nationalized industries. Such a committee would have wide powers, highly expert assistance and a permanent membership. Evidence would be heard in secret, but it would be published later along with a report. Officials of the Crown corporation would be informed in advance of the questions to be asked so that there would not be any possibility of witnesses being pilloried. The report would be unanimous and would be prospective as well as retrospective beyond parliamentary control and secrecy. All committee members would be bound by secrecy regarding the report and evidence, and all politics would be confined to the floor of the House. The committee could tackle one corporation or industry at a time. It could also examine the relations of those corporations with the public.

The advantages are obvious, Madam Speaker. For the public and parliament, the Crown corporations would come under effective scrutiny. The managers of these corporations would be relieved of undue ministerial interference and would have an opportunity to put forth their own point of view knowing that the committee was dealing with their operations in an objective fashion in the interests of the public, in the interests of parliament, and in the interests of true accountability.

If we are to continue to have a proliferation of Crown corporations in this country it is, I repeat, imperative that we also have the mechanism for parliament and its institutions to explore adequately and examine their activities.

As I have indicated, this bill will undoubtedly pass. But I do not believe that the bill is needed, Madam Speaker. It is difficult to understand why we have to establish another Crown corporation in our so-called free enterprise society. If the idea is to have a greater degree of Canadian ownership in this industry I have no argument against that. I think it would be better, however, to change the tax laws to make it more attractive for Canadians to invest,

[Mr. Mazankowski.]

and more attractive for oil companies to divest themselves of their shares and sell to Canadians.

The government seems determined to go full steam ahead with the bill as it stands, however, ignoring its built in dangers. Surely a more effective method of scrutiny should be considered. Many Canadians would find a greater degree of comfort if there were greater public scrutiny and, indeed, a better system involving parliamentary examination of the operations and objectives of this bill. If we fail to influence the government of the soundness of our reasons, the result will be nothing but increased debt for the taxpayers of Canada.

● (2140)

The Acting Speaker (Mrs. Morin): The minister wishes to speak. I remind the House that, if he speaks, he will close the debate.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Madam Speaker, before I commence my remarks may I ask the House to agree to something which I gather has been discussed by those responsible for House business, namely, that in view of the wish of the official opposition for a recorded vote on this matter, the vote shall not be taken this evening but shall be postponed until orders of the day are called tomorrow afternoon? If I have correctly interpreted the agreement, perhaps it could be made an order of the House.

The Acting Speaker (Mrs. Morin): Is it agreed that the recorded vote shall be taken tomorrow?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Madam Speaker, the prolonged speeches we have heard on this bill from the official opposition probably involve two essential points. The one which can be briefly stated is that, according to the official opposition, no responsible government, no responsible first minister, and no responsible minister of energy, mines and resources would bring forward a bill to propose the creation of an energy company under government auspices which would use public funds in order to supply energy in Canada. Repeated speeches made by those opposite condemned the government for proposing to go ahead, by the creation of this bill, and provide for further energy security for Canadians.

I am sure that other members, as I have, found it amusing to hear the Progressive Conservative party condemn the kind of proposition which has been adopted by the Premier of Alberta with the formation of the Alberta Energy Company, and by the Premier of Ontario by the creation of the Ontario Energy Company. Apparently those two gentlemen, for whom I have the highest respect and whom I look forward to meeting this week, are condemned by the official opposition for being horrendous and irresponsible.

Mr. Baldwin: Not at all. The government is condemned, not the premiers.

Mr. Macdonald (Rosedale): As the hon. member for Winnipeg North Centre (Mr. Knowles) said, it is clear both these gentlemen are socialists. Perhaps the hon. gen-

tleman's party in this House is out of step with this new and potentially socialist leadership which may make itself felt in this House.

The second point made by the official opposition was that federal Crown corporations such as Air Canada and the CBC are inefficient in their operations and should be condemned for the manner in which they are carried on. However, not one member of the official opposition, in any condemnation, referred to the existing Crown corporations in the field of energy which have been among the most efficient and effective energy companies either in the private or public sector of Canada. I refer, of course, to Atomic Energy of Canada Limited which, over the past 25 years and working in combination with provincial hydro utilities, including Ontario Hydro, developed the CANDU nuclear reactor, which is the single most imaginative and successful energy and engineering achievement of this country. That achievement was carried out by public servants upon whom the official opposition heaped such scorn and abuse.

I think the best answer to hon. gentlemen opposite is that none of the claims put forward for the private sector, that is to say, not one of the companies referred to in the private sector in Canada, has equalled the achievement of Atomic Energy of Canada Limited.

In the same way I wish to refer to Eldorado Nuclear Limited, which has become competitive in the processing of uranium ores in Canada. It is competitive with the private sector in terms of developing Canadian energy resources.

It was suggested in this debate that no capable persons from the private sector would work for the Canadian government in the energy field. Let me point out that that company was capable of hiring, in the person of its chief executive officer, one of the leading chief executive officers working for a competitive energy company in this country. In other words, there are some people, contrary to the suggestions put forward by hon. members opposite, who are prepared to work for their country and make such corporations successful in the energy field.

I also refer to the achievement of PanArctic Petroleum, a corporation 45 per cent owned by the people of Canada through the investment of the government of Canada. It has achieved significant exploration successes in the Arctic islands and holds out one of the best prospects for future energy supplies in Canada.

It seems to me that the underlying theme raised by some hon. members opposite, some of whom I see sitting in the chamber, is that no capable, able people would come forward to work for the corporation being established, that it would be impossible to constitute an able and qualified management to forward the petroleum interests of Canadians generally.

Mr. Clark (Rocky Mountain): But can you defend the bill?

Mr. Macdonald (Rosedale): I certainly can and will be glad to do so. I am dealing with the kind of abuse which has been heaped on the bill by hon. members like the hon. member who just spoke. It is rather strange that hon. members, like the hon. member for Rocky Mountain (Mr. Clark), think that although able people will work for the British government in Canada, in BP Canada; for the French government, in Elf and Aquitaine; and for the Italian government, in Agip; that no qualified Canadian would work for his own country in the national petroleum corporation.

Mr. Clark (Rocky Mountain): Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Morin): Is the hon. member rising to ask a question?

Mr. Clark (Rocky Mountain): No, Madam Speaker, I wish to raise a point of order. It is this: the minister, to no one's surprise—this being his tactic—has attributed to me suggestions that I at no time made, as the record will show. The minister's only strength—

The Acting Speaker (Mrs. Morin): Order, please. The Minister of Energy, Mines and Resources (Mr. Macdonald) has the floor.

Mr. Macdonald (Rosedale): Madam Speaker, the hon. member for Rocky Mountain has indeed confirmed that I hit a sensitive point. I would say this: there can be no greater defamation of able Canadians than the suggestion made by members of the official opposition that no capable, experienced Canadian in the petroleum field would go to work for his country. I deny that categorically, and deny that it is true of Canadians in the petroleum field either in this country or outside.

Mr. Clark (Rocky Mountain): But can you defend the bill?

Mr. Macdonald (Rosedale): People working for international companies and Canadian independents, good and able people, have come to me and said they would like to work for their country, work for the national petroleum company.

Mr. Clark (Rocky Mountain): But can you defend the bill?

Mr. Macdonald (Rosedale): When the bill has been enacted I am confident that it will provide a lasting and complete condemnation of members of the opposition who have said that there is no good Canadian petroleum man who is prepared to work for his country. I think there are good ones. I look forward to presenting over-all details and filling in fine points when the bill is in committee.

Mr. Clark (Rocky Mountain): The minister cannot defend the bill.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

● (2150)

The Acting Speaker (Mrs. Morin): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to order made earlier, the recorded vote will take place tomorrow after Government Orders are called. There is no indication of further business.

Some hon. Members: Ten o'clock.

The Acting Speaker (Mrs. Morin): Is it agreed that we call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ADMINISTRATION OF JUSTICE—DREDGING CONTRACTS AT HAMILTON—POSSIBLE CONSULTATIONS WITH MINISTER PURSUANT TO SECTIONS 4 AND 5 OF JUSTICE ACT

Mr. Elmer M. MacKay (Central Nova): Madam Speaker, on March 19, as recorded at page 4243 of *Hansard*, I asked the Minister of Justice (Mr. Lang) the following question:

In his capacity both as minister and as Attorney General of Canada, has he been consulted in any respect regarding the Hamilton Harbour and dredging matters pursuant to sections 4 and 5 of the Department of Justice Act and if so, when was this done?

The minister went into a defensive crouch and, in my opinion, did not answer the import of the question.

As this whole matter involving dredging contracts unfolds, it becomes increasingly evident that the Minister of Justice and his predecessors ought to have been more alert and provided more guidance and direction than apparently was the case.

As this House well knows, the Minister of Justice has, under Section 5 of the Department of Justice Act, powers and duties as Attorney General to Canada to, among other things, advise the heads of the several departments of the government upon all matters of law connected with those departments.

In addition, as minister, under section 4 of the said act, he is obliged, among other things, to be "the official legal adviser of the Governor General and the legal member of Her Majesty's Privy Council for Canada;" and he shall "see that the administration of public affairs is in accordance with law;" and have the superintendence of all matters connected with the administration of justice, in Canada, not within the jurisdiction of the governments of the provinces.

[The Acting Speaker (Mrs. Morin).]

The Minister of Justice and his cabinet colleagues have been less than frank when opposition members have tried to find out why the government has allowed this whole unfortunate matter involving possible fraud and millions of dollars to develop. Make no mistake, this type of situation did not develop overnight.

Let us look back a few years to see what has happened to the Ministry of Justice. When Prime Minister Pearson decided to split off from the Ministry of Justice in 1965 the present portfolio involving the Solicitor General (Mr. Allmand), knowledgeable people expressed concern that there would be a severe diminution of the effectiveness of this portfolio which, up to that time, had been a portfolio pre-eminent among cabinet ministries and second only to the Prime Minister's position in terms of political power and prestige.

A succession of Ministers of Justice, which include the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner), have, since then, obviously failed to halt the erosion that the establishment of the Solicitor General's department has caused. In a December issue of the Toronto *Star* for 1965 which reported a press conference held by the then Prime Minister, Mr. Pearson, it was stated, and I quote:

At his press conference last Friday, Mr. Pearson spoke rather vaguely of the need for a more vigorous fight against organized crime. It is probable that the poor showing the department made in the Rivard affair contributed to the decision that a change was necessary.

But here again the remedy may only aggravate the disease. As former Justice Minister Davie Fulton put it this week, "It would be far more likely under the new setup that an RCMP report would never get to the Department of Justice."

What the department needs, in fact, is not a hasty amputation but a careful reorganization to improve co-ordination between its various branches.

In view of the subsequent events, Mr. Justice Fulton, as he now is, was a very good prophet.

It is obvious, looking back over the warning signals extending back to the 1960's, that the ministers of Justice were either out of touch or did not pay sufficient attention to their primary role or else we would not have before us the spectacle of ministers of the Crown hastily passing the buck to their executive assistants and piously denying they had any reason to suspect anything out of the ordinary or wrong with dredging or other related matters.

I am quoting from a December 14, 1971, article in the Hamilton *Spectator* dealing with a news story involving the National Harbours Board and Hamilton Harbour in relation to whether it was proper for a man named Earl Perkins to be both Hamilton's port director and part owner of a firm that handled cargo at the harbour. The mayor of Hamilton at the time also said that the board of control would meet with the harbour commissioners to discuss a waterfront land exchange between the commission and Stelco and Dofasco, something which is now very relevant and current in view of the revelations of what has been going on in recent years. The interesting part is that the newspaper article goes on to say:

Federal Health and Welfare Minister John Munro, Liberal MP for Hamilton East, said he will talk with members of the commission later

this week about the situation. "I want to find out what it's all about," he said.

That was a long time ago. There is no indication the government has yet found out what it is all about. The foregoing is to illustrate that neither the Solicitor General nor the Minister of Justice, the Minister of Transport (Mr. Marchand), nor, apparently, anyone else in government, had enough perspicacity or initiative to look into these matters as they developed to provide sound advice, to take proper action and exhibit responsible leadership.

We must remember that the federal appointees to the Hamilton Harbour Commission constituted a majority of two out of three, which is not a bad majority, and anything that has been done in the Hamilton Harbour affair, I suggest, would have been very difficult to achieve without the agreement of at least one of the federally appointed commissioners. Here one must ask, where was the guiding hand and the advice from the Minister of Justice?

There has been a strange lack of frankness from the government ministers which goes far beyond the need for the normal reticence which could be justified by having the mantle of sub judice thrown over some of the matters at issue.

I believe that there are many things yet to be explained and I hope that the Minister of Justice will very soon tell us exactly what he and his predecessors have been doing in discharging their responsibilities, whether there is any truth in reports that the preliminary hearings with regard to dredging will not begin until next fall at the earliest, and whether the Minister of Justice has any input into this state of affairs.

Perhaps the Prime Minister would have been as well advised when he was Minister of Justice, in addition to worrying about the state having no place in the bedrooms of the nation, to have concerned himself with the relationship of the government in boardrooms of certain corporations.

I presume that as matters unfold we will also learn why the Minister of Labour (Mr. Munro) made such a clear and unequivocal answer to a question on February 25 when he said no to a question asked by the hon. member for Northumberland-Durham (Mr. Lawrence) as to whether he had any indication or believed that he would be called as a witness in respect to the Hamilton Harbour affair. We now find that he will be a witness and has in fact testified before the Grand Jury.

Mr. Deputy Speaker: Order, please. I regret I have to interrupt the hon. member, but the time allotted to him has expired.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I would rather answer the question put by the hon. member on March 19. As for his comments this evening, I presume the minister will answer in due course.

[*English*]

As hon. members will appreciate, the Minister of Justice (Mr. Lang) and his departmental legal officers are consulted in any particular matter which may involve legal issues at various stages during the examination or investigation of the matter and by various parts of the government as well. Some of the consultations are of a very informal and tentative nature; others involve requests for formal advice or action by the Attorney General. Consequently, it is very difficult, if not impossible, to pinpoint with precision an exact time at which the Minister of Justice as Attorney General was first consulted on or asked for advice in relation to a particular matter.

● (2200)

In respect of the criminal charges arising out of the Hamilton Harbour investigation, hon. members will appreciate that those laid under the Criminal Code were at the initiative of the Attorney General of Ontario pursuant to section 2 of the Code. The income tax charges which were laid against several of the parties connected with this matter on March 11, 1975, were of course initiated by the federal authorities, and officers of the Department of Justice were consulted by other agencies of the federal government during several months preceding the date on which charges were preferred.

On the question of withholding payments which may be due to the several contractors who have been charged in connection with the dredging contracts, advice was again sought from the Department of Justice by other parts of the federal government during the past several months on the legal position to be taken in this regard. As hon. members will be aware, several of the dredging companies commenced an action in the Federal Court against the Crown, challenging the right of the Crown to withhold moneys claimed as owing to them under contracts with the Crown.

EXTERNAL AFFAIRS—GOVERNMENT POLICY ON ASSISTING ADULT REFUGEES FROM VIET NAM

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, all Canadians are deeply concerned about the collapse of Viet Nam and are taking considerable comfort in operation baby-lift which has so far brought 1,400 orphans to the western world, 61 of whom have been brought to Canada. However, tonight I wish to make a strong plea for taking a sober second look at the implications of operation baby-lift as a way of helping the beleaguered people of South Viet Nam. I want to urge that we calm down our emotional reaction and that the Canadian government appoint a co-ordinator with respect to all aspects of Canadian aid to Viet Nam, both north and south.

I begin by reflecting that the urge to save these children springs from a deep human desire to rescue those who are least capable of defending themselves against the unfolding horror. The individuals who have given their energy, spirit and in some cases their lives to the cause of these suffering children are worthy of our deepest respect—I include all those Canadians who wish to offer their assistance by opening their homes to orphans. I also wish to take note of what has been done by both the Secretary of State for External Affairs (Mr. MacEachen) and the Minister of Immigration (Mr. Andras), and commend them for the part they have placed in these humanitarian efforts.

I wish to begin by saying that the publicity surrounding operation baby-lift both in Canada and in the United States has been most inappropriate and suggests an attempt on the part of some to look good in the midst of very bad times. Today there is a flood of articles by commentators, journalists and political leaders in various parts of the world questioning the efficacy of bringing out large numbers of orphans from Viet Nam and transplanting them in another culture as if this were the kind of response required by the situation. Mr. W. A. Wilson, a journalist in the Ottawa press gallery, has this to say today, that the process of moving babies in such huge numbers is "a do-gooder's ego-tripping carried to insanity". Then he goes on to say:

—no one has the right to pull children out of their own culture and leave them rootless. Everything about it is unattractive: the personal egotism, the white arrogance, the selfishness.

Then I notice that Mr. Charles Lynch in his column over the week end had this to say:

Communists may be cruel to their enemies, but in every Communist country I have visited, children are treated with tender loving care, impartially administered.

Then in today's New York *Times* Mr. Anthony Lewis said that it is an illusion if we think we can overcome the nightmare of Viet Nam and salve our own consciences by a procedure to bring out its babies.

The minister for overseas development in the British government, Judith Hart, had this to say:

One has to consider what is best for the children. In Southeast Asia there is an extended family system, she said. If such a child could go back to a village to be looked after by members of its family, that is obviously best for it.

I have recounted some of these opinions so as to suggest that the attempt to expiate the guilt that is felt in the western world will not be so easily routed. Here in Canada we cannot ever forget that we have been a silent but none the less partner in the destruction that has taken place in Viet Nam for so many years. I want to quote one or two sentences from a book by Charles Taylor entitled "Snow Job", which is one of the most complete analyses of the relationship of Canada to the Viet Nam war. He says:

Despite Ottawa's brave words about our Vietnam role, Canada was neither impartial nor objective. Whatever our initial intentions we soon became little more than American surrogates on both the ICC and the ICCS, carefully tending the interests of Washington and Saigon as well as dabbling in dubious intelligence work and selling the Americans part of the arms and ammunition with which they wrought such unparalleled destruction.

I just want to say tonight that I hope that the Canadian government will carry out the program announced by the external affairs minister, and that it will be administered in such a way, with the infusion of money and required personnel, that it will be seen by the world to be a truly humanitarian effort to respond to the chaos that is Viet Nam.

With regard to the adults I spoke about earlier today, I hope the adults of South Viet Nam who may want to emigrate under the classification of refugees will be permitted to do so. But what is to become of them? Certainly Canada should open its doors to the adult refugees of South Viet Nam; but here, as in the case of the babies, we should not consider it to be our total response just to have a refugee program.

[Mr. Roche.]

I doubt very much whether many adults will be permitted to leave Viet Nam. In any event I should like the Canadian government to put itself under the advice of the United Nations High Commissioner for Refugees in respect to any program for adult refugees. I hope our Canadian program will be administered in such a way that the world will see it as an offer of truly humanitarian assistance to both sides to the conflict in Viet Nam. I trust we will move on, as the external affairs minister has said, to a new basis of international relations for Canada in which we will help to reorder the policies and priorities of nations around the world that are developing and that wish to participate in the economic and social systems to which they have the right. Otherwise, Mr. Speaker, I fear that we will see more cases like Viet Nam in the years ahead.

● (2210)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this is perhaps one of those more rare occasions during the late show, or in this House, when members on this side and on that side find themselves in so much agreement, except to the extent that the hon. member may have implied some misinterpretation in respect of what we are actually doing in this very tragic situation.

I find myself very much in agreement with some of the comments made about the movement of children. I would refer the hon. member to every statement I have made on this aspect which falls within my responsibility because it involves immigration. In respect of the movement of orphan children from Viet Nam I have tried my best to be very precise in pointing out that we are in fact limiting the movement of these children to those in respect of whom the adoptive process had begun or was completed, at least to the extent that the authority of the Vietnamese government was given, for exit and adoption and where required, with the knowledge of any relative that may be in Viet Nam associated with these children.

This movement has been limited also to those in respect of which the provincial procedures have been followed, since there is provincial jurisdiction in this matter of adoption, and the children who have been brought out to date, with one or two extraordinary exceptions, for reasons which I think are obvious in the drama and confusion of the situation, have all been in that adoptive stream, in some cases for many many months prior to this more recent emergency that has unfolded in Viet Nam. We have tended to hold to that provision.

We are not subscribing to the idea that we or any other country should charge into Viet Nam with aircraft to abduct or coerce children out of Viet Nam without the proper contact with and authority of the existing government, and, wherever families are involved, without their knowledge and concurrence. We are not doing that and in regard to the extraordinary suggestion in Mr. Wilson's column today in the Ottawa *Journal* to the effect that we as the Canadian government are subscribing to the kind of operation he described, when the facts are absolutely different, well I can only say it is not helpful in creating a clear picture of what is inevitably a confused situation under these very tragic circumstances in Viet Nam.

I deplore some of the publicity about the so-called operation "baby lift". We have not been a party to it, other than to respond to questions of the press, many of them legitimate and some perhaps sensation seeking. We have tried to make it absolutely clear that this is the approach we have been taking.

I might say that I was talking to Mrs. Bronstein last night, and I should like to praise her publicly for her extraordinary heroism and compassion in the efforts she and some of her immediate associates in Viet Nam and Cambodia have made during these terrible weeks, during the tragic crash of the aircraft the other day, and in flying with these 62 children from Saigon to Hong Kong, looking after them overnight and flying with them to Vancouver, and then on the same day travelling with them from Vancouver to Montreal, seeing these children right into the arms of the families who received them for adoptions. I do not think it is a gratuitous comment when I say what an admirable thing she has done. She as well totally agrees with us in deploring some of the publicity about the situation, or the recent fashionable approach being taken to this situation.

I think the proper approach lies somewhere in the middle. Thousands of fine Canadians have come forward in an emotional response, and I would not question their motives for wanting to help and wanting to adopt Vietnamese children. The fact is that very few of those people, as fine an effort as this offer is, are going to have a Vietnamese child to adopt. I do not think there are more than 100 or 150 youngsters left in Viet Nam for whom the adoptive process was in progress, or that we can locate to take out. We are trying our best and in fact there is a flight en route to Saigon now, but I do not know what the manifest of that flight will be when it comes back.

I assure the hon. member we are not doing this in the way that some of the publicity is implying, and to the best of my ability I am trying to make absolutely clear in each statement I have made, or is being made by other representatives of the government, that this is in fact the case.

We have said in respect of any adults who get out of Viet Nam to another country and apply under the refugee program of the Canadian immigration procedures and laws, that they can expect to be treated as such. Again, we cannot charge into Viet Nam with a mass refugee program because one does not exist in that sense.

We have been in consultation with the United Nations High Commissioner on Refugees, indicating to him that we will join in any international effort to alleviate the human misery we are seeing unfold in Viet Nam. That, of course, would include consideration of an acceptance of that kind of movement to the degree past patterns have indicated we are prepared to do it. So, it would be under the advice of the United Nations High Commissioner, but in our communications with him and his office they have not yet come to the conclusion that that is the appropriate action to take. I think the reasons are fairly obvious in a situation which is a day-by-day unfolding of change in Indo-China. I think the hon. member and I are in agreement as to the proper approach in this area, and I believe the only conflict perhaps is a misinterpretation of what is said, by the press.

Adjournment Debate

ENVIRONMENTAL AFFAIRS—ALBERTA DECISION TO ALLOW INCREASED EMISSIONS OF SULPHUR DIOXIDE FROM SYNCRUDE PLANT

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, on March 11 I raised a question with the Minister of the Environment (Mrs. Sauvé) on why the minister was supporting the decision of the Alberta Department of the Environment to allow Syncrude to double its sulphur dioxide emission from 140 long tons to 287 long tons a day. The Syncrude operation in the Athabasca oil sands has a potential for massive environmental damage in terms of air, land and water pollution over some 800 square miles.

On the issue of environment I should like to quote from a letter the federal Minister of the Environment wrote to her counterpart in the Alberta government. The federal minister stated:

> It does appear however, from an examination of the available information, that Syncrude has failed to appreciate the real scope of environmental concerns and has also failed to address the question of environmental protection in either a realistic or an adequate manner.

Then further in the letter we find this:

> To reiterate, Syncrude's documentation is deficient in detailed information in many areas of environmental concern and we believe that there is a likelihood for major environmental damage.

I would have thought the minister, having written that letter, would be following the environmental development in the oil sands very closely. On the issue of sulphur dioxide emissions we now know and have learned from a federal study, from which I shall quote later, that sulphur dioxide combined with water vapour and mists common to oil sands can produce a killer fog similar to the great London fog of 1952 which killed 3,500 people. Air inversions which trap pollutants close to the ground occur on 90 per cent of winter days in the Syncrude lease area. SO_2 could also combine with surface waters to produce an acid which kills vegetation in a drainage system which reaches as far away as Saskatchewan. In January, 1973, the Alberta Department of the Environment instructed Syncrude to limit maximum release of SO_2 to 140 long tons a day.

Pressure by the oil companies caused the Alberta government to back down in July, 1973, and the maximum rate was increased not to exceed 287 long tons a day. The Federal Department of the Environment task force report of August 19, 1974, on Syncrude environmental issue states:

● (2220)

> Through the application of best practicable technology, total SO_2 emissions could be reduced from 287 long tons a day to an estimated 40 long tons a day.

The report disputes Syncrude's claim regarding environmental damage being negligible and it says that the Syncrude study was done under ideal conditions. It states:

> Under normal plant operating conditions, it appears that the ground level concentrations of SO_2 will exceed the provincial standard and the federal objective several fold during more restrictive meteorological conditions.

In the light of major environmental damage from SO_2 emissions at Syncrude, as admitted by the minister's own department, and in view of the fact that there exists technology to reduce emissions from 287 to 40 long tons a day, what action does the federal government, a partner in

Syncrude and responsible for setting national emission standards, plan to take?

Is the minister serious about protecting the environment? Will she press the Alberta government to lower its emission levels? Will she introduce national air quality standards, or can we expect only pious statements and token legislation?

Mr. Len Marchand (Parliamentary Secretary to the Minister of the Environment): Mr. Speaker I thank the hon. member for his persistence in bringing this most important question back to the House of Commons. My answer will be relatively short.

The Alberta decision to permit emissions of 287 long tons per day of sulphur dioxide referred to by the hon. member is not a recent one. It was in fact made in July of 1973. Environment Canada's view on this matter was contained in the document tabled in the House by the Minister of the Environment (Mrs. Sauvé) to which the hon. member referred as the environmental impact study of August, 1974. As the hon. member pointed out, Environment Canada's recommendation was to limit sulphur dioxide emissions from the Syncrude plant to 40 tons a day. It is not intended at the present time to introduce any new federal anti-air pollution standards for this purpose.

The government has not by any means exhausted its efforts to have its views adopted by Alberta and by Syncrude. The federal government has recently become even more closely involved in this matter through our financial participation in the Syncrude project, and this can only help us in our efforts to ensure that the environment is protected.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday, April 8, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED PROTEST TO NORTH VIET NAM AGAINST AGGRESSION IN SOUTH VIET NAM—MOTION UNDER S.O. 43

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion regarding North Viet Nam's active participation in the brutal assaults now taking place on life and on property in South Viet Nam.

I would therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House urge the Secretary of State for External Affairs to instruct Canada's diplomatic representative in North Viet Nam, John Small, to lodge a formal protest with the North Vietnamese government against its active aggression in South Viet Nam and its failure to respect the cease-fire and other agreements aimed at reconciling the differences in Southeast Asia.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

PRIME MINISTER'S OFFICE

PROPOSAL THAT PRIME MINISTER CHARGE FOR USE OF SWIMMING POOL—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask the consent of the House to move the following motion:

In view of the recent government announcement to establish a scale of fees for admission to national historic sites and to establish a scale of tolls for canals, in line with apparent government policy that those who use the facility should pay for such use, the House requests the Prime Minister to make a statement as to whether operating costs will be defrayed by charging an entrance fee to users of the lavish, luxurious and opulent $200,000 swimming pool at 24 Sussex Drive.

Mr. Speaker: Fortunately, I have the gravest reservations as to the urgency and pressing necessity of that motion.

[*Translation*]

AGRICULTURE

REQUEST FOR GOVERNMENT ACTION TO SETTLE LONGSHOREMEN'S STRIKE IN QUEBEC—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, under the terms of Standing Order 43, I request unanimous consent of the House to move a motion on an urgent matter.

Because work stoppages in the ports of Montreal, Quebec City and Trois-Rivières are placing Quebec producers in an unacceptable situation, and because grain stocks will be used up within 48 hours, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That this House invite unanimously the responsible minister to present to the House a solution, if need be a legislative measure, within 24 hours, to bring the situation back to normal in that field.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

AMOUNT OF REDUCTION IN FORECAST OF RATE OF GROWTH AND DATE OF ANNOUNCEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who said in the House on February 11 that his forecasts for growth for the year 1975 have been shaded down. Can the minister now tell us how much the rate of growth for the gross national product of 4 per cent, given in the November 1974 budget, has been shaded down?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be able to give that to the House on an appropriate occasion, but not at the moment.

Mr. Stanfield: Can the Minister of Finance indicate what he might consider to be an appropriate occasion to give this House the information which he thought it was important for the House to have last November?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think an appropriate time will be when I bring down a budget, which I intend to bring down as early as I can, hopefully before the end of May. Before I can come to a final decision on the nature of the budget, I will have to weigh certain key factors which it has not yet been possible to assess with the precision I would like. It is easy to outline the factors to the House. In brief order, they are as follows: First, the continuing character and extent of the mix of American tax and energy policy; second, the developments as they may be agreed upon in some form or another by the Prime Minister and first ministers at this week's conference relating to pricing for oil and gas; third, the effect we may be able to have on prices and incomes in Canada by working together in a common effort to moderate the claims of the various groups in the economy.

I might say as well that I will be making a further assessment of the international situation as it relates to the oil exporting countries. On my trip to the Middle East I shall be calling upon the Chancellor of the Exchequer of the United Kingdom and the Minister of Finance of France. With this information, and with these assessments, I hope to be back before the House with a precise estimate, as we have it at that time in forecasting terms, of the growth—

● (1410)

Some hon. Members: Hear, hear!

Mr. Baldwin: Don't forget Celsius!

INFLATION—DATE WHEN PRECISE INFORMATION AVAILABLE ON NATURE OF CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): With regard to the consensus. Since the minister is bringing out a budget before the end of May, and since the consensus will be one of the factors involved, will he undertake to give us precise information as to the nature of this consensus when he brings down a budget or will this continue to be a secret even after the budget secrets have all been disclosed?

Hon. John N. Turner (Minister of Finance): I will have to deal with that consensus in one form or another in the budget statement, as the hon. gentleman has surmised, but I hope to be able, through my parliamentary secretary, to table in the House a statement or progress report to the country, to the first ministers and to the Prime Minister during the forthcoming conference.

INQUIRY WHETHER BUDGET WILL BE DESIGNED TO COUNTERACT INFLATION OR DEAL WITH UNEMPLOYMENT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question, too, is directed to the Minister of Finance. Since the hon. gentleman will now be introducing a budget before the end of May, and in view of the fact that seasonally adjusted employment is down by 19,000 since November and there has been virtually no increase in employment since August, while unemployment—

Some hon. Members: Question!

[Mr. Stanfield.]

Mr. Stevens: —seasonally adjusted has jumped 190,000 since August, will the minister indicate whether his budget will be designed to stimulate the economy so as to arrest this unsatisfactory unemployment situation or will it be more designed to counteract the inflation which is still prevalent?

Hon. John N. Turner (Minister of Finance): Obviously the budget will have to deal with both those problems. The hon. member for Oshawa-Whitby is showing disarming perception.

An hon. Member: Unusual!

Mr. Turner (Ottawa-Carleton): I might say in response to the preamble to the question asked by the hon. member for York-Simcoe that the year over year increase in employment in March in Canada was up by 2.5 per cent and that the year over year increase in the labour force in March on an unadjusted basis of 4.9 per cent was 450,000. So his figures are completely off the mark.

REASON FOR DELAY IN SETTING WAGE GUIDELINES

Mr. Sinclair Stevens (York-Simcoe): Further to my original question I should like to put a supplementary to the Minister of Finance. With time lost due to work stoppages in January up 64 per cent as compared with January of last year when Canada had one of the worst strike records in the industrialized world, would the minister tell us why it is only after May that he seriously intends to set guidelines for future wage settlements, bearing in mind that 1975 is a very heavy bargaining year during which just under three-quarters of all employees covered by major union contracts will be negotiating?

Hon. John N. Turner (Minister of Finance): I will deal with that statement at the appropriate time.

Mr. Stevens: A final supplementary. Surely, we get a little tired of always this evasion that statements will be made at an appropriate time.

Some hon. Members: Oh!

Mr. Speaker: Order. The hon. member for Oshawa-Whitby.

UNEMPLOYMENT—POSSIBLE GOVERNMENT PROGRAMS TO CREATE MORE JOBS

Mr. Edward Broadbent (Oshawa-Whitby): I should like to address a further question to the highly disarming Minister of Finance. In view of the fact that unemployment in percentage terms now exceeds even the high level of unemployment which was achieved during the application of the government's deflationary program between 1969 and 1971, can the minister inform the House whether, between now and the date upon which he proposes to bring in a budget, the government has any plans to initiate action which will lead to more jobs in the economy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the budget being the relevant parliamentary response in fiscal and monetary terms to the problems of

the country, I would think that the response will be given on budget night.

Mr. Broadbent: A supplementary question just to be perfectly clear on what the minister is saying. Is it the government's intention to do nothing to create jobs, in addition to whatever programs they may now have, before the minister brings in a budget some time in the month of May?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman would have to wait for the budget. In the meantime, he ought to review the stimulus already in the economy as a result of the November 18 budget.

Mr. Speaker: A final supplementary, the hon. member for Oshawa-Whitby.

POSSIBLE MEASURES TO INCREASE SUPPLY OF HOUSING PRIOR TO BUDGET—SUGGESTED REDUCTION IN MORTGAGE INTEREST RATE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the one sector of the economy that does create a lot of jobs and meets a human need is housing but there has been a decline in starts of some 49 per cent in January, a decline of 44 per cent in February and when the figures are available for March I am sure there will be an equivalent decline. May I ask the minister if the government intends to do anything about increasing the supply of housing prior to introduction of the budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, obviously a budget will have to bear in mind the priority that the hon. gentleman suggests, both in economic and social terms. He should not overlook the fact, however, that pursuant to recent amendments in the National Housing Act passed by this parliament new measures are already contemporaneously being introduced by my colleague the Minister of State for Urban Affairs.

Mr. Broadbent: A final supplementary for the Minister of Finance. In view of the changes that have just been made in NHA regulations which will now permit Canadians to borrow up to $50,000 if they are buying a house, which with existing interest rates will put people in debt perhaps to the tune of over $100,000 over a period of time, does the minister have any plans to take action on mortgage rates so that the cost of living on a monthly basis for those who will be buying houses will be substantially reduced?

Mr. Turner (Ottawa-Carleton): In general terms, no, Mr. Speaker, but the hon. gentleman again ought not to overlook the Assisted Home Ownership Program which in effect subsidizes interest rates on lower priced houses.

[*Translation*]

AGRICULTURE

EFFECT OF LONGSHOREMEN'S STRIKE ON SUPPLY OF FEED GRAIN—GOVERNMENT ACTION

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

Since Quebec millers no longer have access to port facilities to get some feed grain and as they continue to send us telegrams of distress, being unable to provide feed grain to their customers, as is the case for example of the Meunerie coopérative of Parisville, I would like to ask the minister whether he will make a statement in the House this afternoon to announce what contingency measures he intends to take to provide feed grain to Quebec mills, in accordance with the assurance he gave in the House yesterday?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, according to information I have received today most people still have some stocks of grain and there is no real loss of feed stocks. That is, no livestock or poultry are going without feed. We are watching the situation very closely and moving as much as we possibly can by all means, as I have said. I will not be making a statement later today.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a supplementary question.

By his reply, does the Minister of Agriculture suggest that he will wait to act till some livestock losses are incurred as a result of shortage of feed grain in eastern Canada, since stocks are now barely sufficient for three days in the Quebec City area?

[*English*]

Mr. Whelan: Mr. Speaker, there will be no loss if we can make sure deliveries are made. We have stocks for several days—in some cases for three or four days and in some cases much longer—so we are watching the situation very closely to make sure there is no loss of livestock or poultry.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to ask a last supplementary.

I understand the Minister of Agriculture means that there is enough feed grain in the Quebec area. I agree with him. This grain must be forwarded to mills. What measures does the minister intend to take to ensure the grain will reach mills, then producers?

● (1420)

[*English*]

Mr. Whelan: Mr. Speaker, I am fully aware of the grains that are available in the elevators, in the feed mills, and at the sources which are supplying feeds to the farmers. As I said, we are watching the situation and keeping on top of it as well as we can.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary for the Minister of Agriculture.

Considering that this morning we heard from very reliabe sources that producers are already shipping their animals for slaughter, considering the lack of grain and the fact that producers anxious to get grains cannot obtain them because of protests that are now paralyzing the system, can the minister assure the House that he will check this information or at least make a statement and, finally, whether he will find solutions to answer the claims of producers?

[*English*]

Mr. Whelan: Mr. Speaker, making statements will not help in finding solutions to the situation. We had a meeting earlier in the day just before coming into the House concerning this particular problem. We are aware of the conditions that exist, but we have no control over those people who want to ship their livestock. As far as I know there has been no evidence presented as yet that anyone is actually without feed.

* * *

FINANCE

RELATIONSHIP OF CANADIAN AND UNITED STATES DOLLAR—DATE OF PUBLICATION OF ECONOMIC REVIEW

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the fact that Canada's current deficit on the international account is running at the rate of $4 billion to $5 billion a year, and the Canadian dollar seems to be maintaining relative parity with United States and other currencies, will the Minister of Finance advise the House on the extent to which the Bank of Canada has entered the international market in order to maintain that relative parity, and what has caused the government to abandon what the minister euphemistically called a relatively clean float? Will the minister also give us those reasons, and indicate when the economic review of his department, the publication of which is overdue now, will be brought down?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I can reassure the hon. gentleman that the float remains clean and free, as evidenced by the fact that the reserves in the exchange account have varied very little over the past two or three months. As to the value of the dollar throughout the year, of course this will depend on the effect of two conflicting forces; first, the factor the hon. member has mentioned, the large current account deficit we anticipate for the year, and secondly, the attractiveness of the Canadian economy to investment from abroad. As to the economic review, I apologize to the House that it is not quite ready. I went over it finally this weekend and we expect to have it published and tabled very shortly.

[Mr. Whelan.]

REGIONAL ECONOMIC EXPANSION

SUGGESTED USE OF DREE PROGRAMS TO COUNTERACT UNEMPLOYMENT IN ATLANTIC CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, in view of the serious unemployment problems continuing to plague Atlantic Canada, is the Minister of Regional Economic Expansion taking advantage of the presence of the premiers in Ottawa this week to discuss new initiative and thrust for DREE in addition to the selective aid for the Halifax-Dartmouth and Strait of Canso areas of Nova Scotia, which, while very welcome, is obviously inadequate to help the general economic picture in eastern Canada at a time of very high unemployment?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, of course I will be talking to the premiers while they are here. As the hon. member knows, I was speaking with Premier Regan at length yesterday in Halifax, and also ministers of the government of Newfoundland. I think the fact that we signed this agreement yesterday is indicative of the fact that we are anxious to do whatever we can to alleviate unemployment in Nova Scotia and in other Atlantic provinces.

POSSIBILITY OF NEW DREE PROGRAMS TO COUNTERACT UNEMPLOYMENT IN NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question to the Minister of Regional Economic Expansion is prompted by the very serious and alarming rate of unemployment in Newfoundland, which now stands at 18.8 per cent. What new federal initiatives does the minister intend to take in view of this alarming and frightening rate of unemployment in the province of Newfoundland?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Well, Mr. Speaker, I am not sure I can give all the details in the time permitted in the question period. We have a number of supplementary agreements already in operation. I mentioned, in answer to the previous question, that there were consultations with the Government of Newfoundland yesterday which will lead to at least three others, one having to do with the fishing industry. There will also be considerable work undertaken in and around the city of St. John's, which I know will be of special interest to the hon. member. I might say that the figures for last month,—I have not had an opportunity to examine them in detail—while recognizing that they are annually high at this time of the year, probably were to some extent affected by the fisheries strike which now happily is over.

REASON FOR ALLOCATING FUNDS FOR THE FURTHER STUDY OF CONTAINER FACILITIES AT HALIFAX

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a related question. I wonder whether the minister could explain to the House the reasoning or the thought behind the inclusion of an item of $1 million in the agreement entered into yesterday with the province of

Nova Scotia with regard to further studies surrounding the expansion of the container facility at Halifax as opposed to some more concrete action which might have produced jobs for the hard pressed Atlantic region. Could he explain the purpose of this further research?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, I think so, Mr. Speaker. The position is that the additional money was provided for studies because these studies were determined to be necessary on a precise basis. There had been quite a bit of feasibility work, and I think there is general acceptance of the necesssity to have an expansion or if you want a second terminal for containers in the Halifax-Dartmouth area.

There are still questions to be settled concerning the site, the design and things of this nature. That is the purpose for which the money was provided. The premier of Nova Scotia yesterday indicated that he hoped the work which will be financed by this $1 million will be completed in short order.

Mr. Speaker: One supplementary by the hon. member for Dartmouth-Halifax East.

WILLINGNESS OF FEDERAL GOVERNMENT TO AID EXPANSION OF CONTAINER FACILITIES AT HALIFAX

Mr. J. M. Forrestall (Dartmouth-Halifax East): I wonder, Mr. Speaker, if the minister could then indicate to us whether or not it is the position of the government at the present time that it is not prepared to enter into a financial arrangement with the province of Nova Scotia or Haltern or any other interested and capable groups to expand the present container facilities at this point in time and whether, as would be the common assumption today, if the province of Nova Scotia indeed wants the expansion of that facility so as to broaden work concepts and protect jobs it will have to go at it alone financially at least at the outset.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, on the specifics of the last part of the question the answer is no. As I indicated yesterday, and have indicated on previous occasions, we would be quite prepared to enter into a special supplementary agreement with a view to expanding the facilities along the lines mentioned by the hon. member. Whether or not it would be an expansion of what exists at present or whether it would be in a different location are issues which still must be resolved among the parties of which DREE is really not a direct member. But when the project has been firmed up in respect of the ideas and concepts of those who are promoting it at the present time, then as I have said we are prepared to make a DREE contribution.

SUGGESTED PRIORITY FOR FUNDY TIDAL POWER PROJECT—GOVERNMENT POSITION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Since the total amount of DREE grants since the inception of the program do not look too impressive when compared to the costs of massive projects such as the Mirabel airport or Syncrude, is the minister prepared to press for a greater priority for Fundy tidal power development?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): I think I answered the hon. member in the committee on this matter. Again in principle the answer is yes. I had discussion on this yesterday again with Premier Regan. I do not believe I am disclosing anything he would not say personally when I say he mentioned the necessity for the construction of the Atlantic grid, the electricity grid, and this work has the full support of myself and the Minister of Energy, Mines and Resources. I believe it is Mr. Regan's view as well as that of certain other authorities on the subject that the grid is a key element in the development of tidal power.

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[*Translation*]

TRANSPORT

REPRESENTATIONS ON SINKING OF FISHING VESSELS—GOVERNMENT ACTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to direct a question to the Minister of Transport.

Has he received a telegram from Pacific coast fishermen about the recent losses in lives and fishing vessels which so tragically afflict this industry and the families in this area?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have received representations following the shipwrecks of a number of small vessels, which have also resulted in fatalities. I am waiting for the report from the investigators we have dispatched to the Pacific coast. We shall certainly do the utmost to find out the cause of this tragedy which appears to me to be quite abnormal.

* * *

● (1430)

[*English*]

NATIONAL DEFENCE

ADEQUACY OF SEARCH AND RESCUE FACILITIES ON WEST COAST

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question for the Minister of National Defence. In light of these tragic circumstances and with the summer boating and fishing seasons approaching, is the minister still satisfied that the resources at the disposal of the rescue and search centre on the west coast are sufficient to meet all the needs, both commercial and sporting?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker.

Oral Questions

[*Translation*]

AGRICULTURE

EFFECT OF LONGSHOREMEN'S STRIKE ON SUPPLY OF FEED GRAIN—GOVERNMENT ACTION

Mr. Yves Caron (Beauce): Mr. Speaker, I wish to ask the Minister of Agriculture another question concerning the feed grain supply problems resulting from the longshoremen's strikes in the Montreal, Trois-Rivières and Quebec City harbours.

A while ago, a number of questions were asked. Following inquiry, there is no more feed grain in the Quebec City harbour. Can the minister advise the House of any new developments, so that farm producers in the Quebec area may not be victimized by this situation?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the situation is not any different. As I said before, I am waiting for an up to date report from my officials and officials of the feed board. As soon as I have that, I shall let hon. members interested know.

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EXTERNAL AFFAIRS

ALLEGED AGREEMENT CANADA WOULD NOT RETALIATE FOR BOARDING OF "GREENPEACE III" BY FRENCH AUTHORITIES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. A report this morning indicated that the French admiral in charge of the operations of a nuclear test in the Pacific was given the assurance that in the event of the boarding of the Canadian vessel Greenpeace III there would be no retaliation by Canadian authorities. Would the minister advise the House whether he is conducting an inquiry into this very serious allegation of connivance?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I heard the same report and I have asked for information on this point.

Mr. Leggatt: Is the minister in a position, as a result of this inquiry, to advise this House that Canadian authorities have not in any way conspired or connived in this act of piracy by the French government?

Mr. MacEachen: I will be happy to give the hon. member the information once I receive it and will make any statements that are justified in the circumstances.

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PUBLIC WORKS

REPORT ON IMPROVEMENT OF NAVIGATION ON OTTAWA RIVER FOR PLEASURE CRAFT—DATE OF COMPLETION AND TABLING

Mr. Paul Dick (Lanark-Renfrew-Carleton): My question is for the Minister of Public Works and it is one of which I have given him notice. In view of the fact on July 13, 1973, the Department of Public Works awarded to Pluritec, consulting engineers, a contract to evaluate the costs of enhancing pleasure craft navigation on the Ottawa river west of Ottawa, can the minister now report whether or not that report has been completed, whether he can table it, and whether the government has made any decisions based on that report?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I have not seen the report, and not having seen the report, I do not yet know whether or not it would be customary to table it. I will be glad to look into it and advise the hon. gentleman.

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THE PERFORMING ARTS

GRANT TO COMMUNITY MUSIC SCHOOL IN VANCOUVER—REASON FOR CHANGE IN GOVERNMENT ATTITUDE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of National Revenue. In view of the announcement last week in Vancouver by the minister and the other member of the cabinet from British Columbia of a federal government grant of one third of a million dollars to the community music school in Vancouver, and in view of the announcement two months ago by the Secretary of State that the school did not fit the criteria for grants, in spite of efforts to assist by members on both sides of the House, can the minister tell the House what special influence the two cabinet ministers from British Columbia were able to exert in order to reverse the cabinet decision—

Mr. Turner (Ottawa-Carleton): Beautiful!

Mr. Clarke (Vancouver Quadra): —announced by the Secretary of State, and why he and his cabinet colleague from British Columbia did not display their influence sooner?

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MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM AND SUMMER EMPLOYMENT FOR STUDENTS—POSSIBLE DECREASE IN FUNDS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Manpower and Immigration, and it is really supplementary to a number of questions which were asked earlier. In light of the fact that unemployment in March of this year among Canadians under 25 is already 4 per cent higher than that at this time last year and promises to worsen before the summer, does the government intend to reconsider its decision to freeze its budget for student summer employment and decrease the money allocated for this year's Opportunity for Youth Program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I expect to make an announcement very shortly.

EXTERNAL AFFAIRS

INQUIRY WHETHER GOVERNMENT PROTESTED AGGRESSION BY NORTH VIET NAM

Mr. John Reynolds (Burnaby-Richmond-Delta): I have a question for the Secretary of State for External Affairs. Could he tell the House whether his government advised the Canadian diplomatic representative in North Viet Nam, John Small, to launch a formal protest with the North Vietnamese government against its active aggression in South Viet Nam and its failure to respect the cease-fire?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Reynolds: I have a supplementary question for the minister. Can he advise the House whether this is under consideration by the cabinet or if this has not been done under direct instructions from the Prime Minister?

Mr. MacEachen: Mr. Speaker, all such questions are under continuing review. The general attitude of the government toward this particular situation was made clear yesterday in a series of questions asked in the House.

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REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF FURTHER AGREEMENTS FOR BRITISH COLUMBIA

Mr. Bob Brisco (Kootenay West): My question is addressed to the Minister of Regional Economic Expansion. In view of the pleasure at the extension of DREE grants in Kootenay West until the end of this year, and in view of the fact that there is a continuing expression of concern about the DREE programs in B.C., can the minister advise if any sub-agreements have now been signed or are proposed with the province of British Columbia with reference to the DREE program?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): I was very happy to be able to extend the designation in the area to which the hon. member refers. At the same time I held discussions with the appropriate minister in the government of British Columbia. There are three and perhaps four sub-agreements which are now being negotiated, but they have not yet been signed. I can tell the hon. member in a general way that one of them has to do with forestry development and another has to do with a number of activities in northwestern B.C. and in the whole general northern area of that province.

EXTERNAL AFFAIRS

REQUEST FOR RESOLUTION CONDEMNING AGGRESSION BY NORTH VIET NAM—POSSIBILITY OF PROTEST THROUGH UNITED NATIONS

Mr. Eldon M. Woolliams (Calgary North): My question is directed to the Secretary of State for External Affairs. In light of his answers today and in particular his answers on January 4 and 5, 1973 at the opening of parliament when parliament approved a government resolution condemning the U.S. bombing in North Viet Nam, can the minister say—in view of the killing of women and children and the great inhumanity being perpetrated at present—if he would reconsider his position and put forward a government resolution condemning the Communist aggression that is going on now?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I recall the resolution to which the hon. member refers. It consisted of a series of propositions, including the wish of the House to deplore the bombing of Hanoi by the United States. It seems to me that no analogy exists in this particular situation.

Some hon. Members: Oh, oh!

An hon. Member: Shame!

Mr. MacEachen: If the hon. member has in mind the attempt to draw a strict analogy between the two situations, let me tell him that they are not precisely the same. I say to the hon. member that I have already deplored the major offensive which is taking place in South Viet Nam, and particularly the effect that it is having on innocent civilians in that country. If the hon. member would look at that resolution he would find that my words with respect to this offensive are precisely the words that were used in the resolution to which he refers.

Mr. Woolliams: I would ask the minister now to reconsider what he has just said regarding the conditions being different. There are women and children being killed by bombs and Communist aggression. The minister has said that he deplores the situation. Is he prepared to formally protest, through the proper channels of the United Nations or to the Communist countries which are backing the North Vietnamese, this military aggression which is going on and which is causing this inhumanity?

● (1440)

Mr. MacEachen: Mr. Speaker, in deciding what one ought to do in a situation of this kind, one ought to understand clearly the purpose, the effect and the worthwhileness of any particular action. I am quite satisfied that outright denunciation such as is suggested by my hon. friend would do nothing to relieve the human suffering which is at the present time the main Canadian concern. We have moved very quickly to alleviate that human suffering in South Viet Nam.

I would make this second comment to the hon. member, that another obligation which must be discharged by the Canadian government concerns the welfare of Canadian citizens now in territories controlled by the PRG, and that

is a real obligation which we hope to discharge in time and which would not be helped by the kind of inflammatory approach the hon. member is suggesting.

* * *

HEALTH

ESTABLISHMENT OF ABORTION COMMITTEES BY HOSPITALS—GOVERNMENT POSITION

Mrs. Ursula Appolloni (York South): Mr. Speaker, I would like to direct my question to the Minister of National Health and Welfare. In view of the very important medical, social and moral facts put forward by members of the Canadian Physicians for Life in their open letter of April 4, for the sake of the women and unborn children of Canada, for the sake of the doctors and other concerned medical personnel of Canada, will the minister please withdraw his proposal that the hospitals of Canada be forced to establish abortion committees?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have never said that hospitals should be forced to establish abortion committees. This is certainly not a matter which I can force upon the provinces. But I still believe that the hospitals are semi-public institutions and should provide those services needed by the people of this country.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES AND OPPORTUNITIES FOR YOUTH PROGRAMS—POSSIBILITY FOR INCREASED AID

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask the Minister of Manpower and Immigration a question.

Given the very recent figures on unemployment which were just published and which show once more that Quebec ranks second when it comes to the unemployed in Canada, could the minister responsible for LIP and Opportunities for Youth tell the House what is his department's intention with regard to the extension of local initiative projects and, second, has the minister considered the possibility of increasing the Opportunities for Youth budget to help us especially in Quebec to check the startling unemployment rate among young workers?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I answered an earlier question by saying that I would be making announcements with regard to summer employment for students. In connection with the Local Initiatives Program I would not make any comment now. My colleague the Minister of Finance has indicated that we are constantly reviewing the situation with regard to unemployment, the effect of the budget of last November, and any other measures which he deems are necessary within the framework of economic policy. We are discussing these matters and at the appropriate time announcements will be made.

[Mr. MacEachen.]

[*Translation*]

SUMMER EMPLOYMENT FOR STUDENTS—REQUEST FOR IMPROVEMENT IN PROGRAM

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I want to ask a supplementary question.

The Department of Manpower and Immigration is now publishing advertisements in newspapers inviting young people to register with Manpower Centres, if they want to find jobs during the summer months. Now, these young people, when they go to the centres, are being answered: "We do not have jobs at the present time." Why are these young people invited to ask for employment when the department is unable to provide it?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I hope the hon. member is not suggesting that we abandon all efforts to place young people. This program is part of that operation. If there is a specific instance in a local manpower centre where such an answer was given which was not to his satisfaction, I would be prepared to look into it.

* * *

HEALTH

PROPOSAL TO ASSIST IN PROVISION OF PRESCRIPTION DRUGS—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the fact that several of the provinces in one way or another now assist certain sections of the population with respect to the cost of prescription drugs, is the government giving consideration to a national pharmacare program, going along with the provinces, so that Canadians from coast to coast can be assisted in connection with the high cost of prescription drugs?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Not now, Mr. Speaker.

[*English*]

Mr. Knowles (Winnipeg North Centre): If the government is not prepared to consider that at the present time, is it prepared to consider the first steps toward such a program by providing for the coverage of prescription drugs for all persons in Canada who are in receipt of old age security?

[*Translation*]

Mr. Lalonde: Not now, Mr. Speaker.

* * *

[*English*]

ENERGY

OIL—GOVERNMENT POSITION ON FLOOR PRICE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I

would like to ask the minister if at the conference which is taking place this week he will discuss with the ministers from the provinces the question of a floor price for oil as has been proposed by various countries in the International Energy Association.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it may well arise, although it is not specifically the purpose for which we are meeting. It has been discussed in general terms with the provincial officials at the time federal officials briefed them on the I.E.A. discussions.

Mr. Gillies: Has the government put forth any specific proposal as to what the floor price ought to be?

Mr. Macdonald (Rosedale): No, sir.

* * *

GOVERNMENT ADMINISTRATION

ADVERTISING CONTRACT AWARDED PRICE, RUBIN AND PARTNERS—AMOUNT OF PAYMENT RECEIVED BY FIRM—INQUIRY AS TO TREASURY BOARD APPROVAL

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to direct a question to the Minister of Labour. On December 20 at page 2438 of *Hansard* I asked the minister certain questions with respect to a $250,000 advertising contract awarded to Price, Rubin and Partners. The minister stated on that day that the advertising agency was paid 17 per cent by the media, in this case ethnic newspapers. Since giving his answer on that date has the minister looked into this matter more closely, and if so can he confirm that this company, Price, Rubin and Partners, received payment limited to 17 per cent of the $250,000 advertising contract?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I advise the hon. member for Grenville-Carleton that when I said 17 per cent I was not specifically referring to this particular company. It was my understanding that advertising contracts—government placements with advertising agencies—meet the long term understanding with the franchise advertising agencies. The media pay the commission, if you like, and this is along the line of professional services. This is the understanding between all advertising agencies and the media. I can check that figure of 17 per cent which applies generally, and whatever it is, I am sure it applies to Price, Rubin and Partners.

Mr. Baker (Grenville-Carleton): I thank the minister, and I look forward to an answer to that question. I wonder if the minister could at the same time inform himself, and perhaps advise the House whether there was Treasury Board approval for this contract in the terms and conditions on which it was let.

Mr. Munro (Hamilton East): I believe the hon. member will recall that when he asked the question, the President of the Treasury Board did answer.

Mr. Baker (Grenville-Carleton): No, he did not. You can check it, John.

Mr. Munro (Hamilton East): I will check it.

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—REQUEST FOR PAYMENT OF WAGES TO THOSE ADVISED TO RESPECT PICKET LINE TO AVOID VIOLENCE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Acting President of the Treasury Board and or for the Minister of National Defence. It arises from the recent bluecollar strike. Would the government reconsider its decision not to pay certain non-striking bluecollar employees of the same union at Willow Park, Halifax, where the armed forces supply base is located, because they were advised by their superiors not to challenge picket lines and so avoid violence? Some lost up to four days pay though they were willing to work.

Hon. C. M. Drury (Acting President of Treasury Board): Mr. Speaker, I would be glad to look into that representation on behalf of the President of the Treasury Board.

* * *

● (1450)

FINANCE

REQUEST FOR ASSURANCE NO RESTRICTION ON SALE OF CANADIAN BONDS IN UNITED STATES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. As the United States bond market has suffered heavily in recent days, making it necessary for several Canadian municipalities to postpone issues, did the minister receive any indication from Mr. Simon during his recent visit that Canadian borrowings would be curtailed and restricted on the U.S. market in the coming year?

Hon. John N. Turner (Minister of Finance): No, sir.

GOVERNMENT POSITION ON INVESTMENT OF PETRO-DOLLARS IN CANADA

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Finance. Is the minister encouraging or discouraging the investment of petro-dollars in debt securities in Canada, particularly in household or real estate mortgages.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if the money comes, the money comes.

* * *

GRAIN

RESPONSIBILITY FOR USE OF LARGE VESSEL FOR SHIPPING GRAIN TO BANGLADESH

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Agriculture and arises because of his presence at the Rome food conference. As it takes about one month to load grain for Bangladesh on the cargo carrier *Amoco Cairo,* one of the largest vessels ever to enter the port of Vancouver, because it is necessary to tow the

ship into ocean waters several times during loading and turn it around in order to keep the cargo balanced, and as this ship must drop anchor 65 miles from the port of destination because of shallow waters, it is obvious somebody boobed. Can the minister advise the House who is responsible?

Mr. Baker (Grenville-Carleton): You can't go on the trip, Eugene.

Mr. Speaker: Order, please.

* * *

AGRICULTURE

POTATOES—POSSIBILITY OF CO-OPERATION OF PROVINCES IN PRODUCTION AND MARKETING

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Minister of Agriculture. In view of the appreciated help accorded to the potato producers of eastern Canada, as announced last week, I wonder if the minister has now obtained some assurance or indication from eastern producing provinces that they are now more willing than ever to co-operate and bring some order to the production and marketing of potatoes.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is my feeling that they are, but reorganizing their selling policies, and so on, is easier said than done. We met with some of the people concerned with the industry this morning and we are to meet with other government officials later today and tomorrow.

* * *

NATIONAL SECURITY

POSSIBILITY COMMUNICATIONS BRANCH OF NRC MONITORING LONG DISTANCE TELEPHONE CALLS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question, which is directed either to the Minister of Communications or to the Minister of State for Science and Technology, concerns an answer given by the Prime Minister last March 26 to a question I had asked, and also the statement in committee made by the Minister of State for Science and Technology, to the effect that the communications branch of NRC, as it was then, "do monitor Hertzian wave emanations." Since that phrase could include microwave emanations, including long distance telephone calls, will the minister, or whichever minister can answer, tell the House whether that agency was or is monitoring long distance telephone calls placed in Canada to points in Canada or elsewhere.

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, I think that my statement that Hertzian waves were alone being monitored covers the case of most telephone calls and excludes them by definition.

Mr. Clark (Rocky Mountain): Mr. Speaker, may I ask a supplementary question. I think I will have to tap that answer to understand it. I should like to know from the minister whether it has been the practice of the communications branch of NRC, and now of DND, to monitor in any way whatsoever long distance telephone calls placed in Canada to points in Canada or abroad. A simple yes or no would be fine, and I would prefer not to have both.

Mr. Drury: Mr. Speaker, I would make that, on choice, a simple no.

REFERENCE TO PREVIOUS ANSWER BY PRIME MINISTER ON MONITORING LONG DISTANCE TELEPHONE CALLS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a question of privilege.

An hon. Member: Wait until after the question period.

Mr. Nielsen: May I ask a supplementary question, in that case, and direct it to the Prime Minister. In view of the answer given just now by his colleague, is he now prepared to expand on his answer given to me in the last parliament—

Some hon. Members: Oh, oh!

An hon. Member: How long have you been here?

Mr. Nielsen: Mr. Speaker, I have been asking similar questions in several of the nine parliaments in which I have served. I have asked precisely the sort of question put by my hon. friend from Rocky Mountain. As the Prime Minister answered, when I asked my question, that it was not in the national interest to answer such a question—

Mr. Speaker: Order, please.

Mr. Nielsen: —is the Prime Minister prepared now to answer the question more fully and more accurately than he did last year.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to look up the record, for the exact question. According to my recollection, it was not in as precise a form as the question asked by the hon. member for Rocky Mountain. He asked a precise question about calls within Canada.

Mr. Clark (Rocky Mountain): No. You were not listening.

Some hon. Members: Oh, oh!

* * *

THE CANADIAN ECONOMY

PRICE OF OIL USED BY MINISTER IN FORECASTING GROWTH IN 1975

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance, who seems to be most forthcoming today. When he prepared his forecast of growth for 1975 in November, he must have foreseen the termination of the one-price agreement on oil applying across Canada. I want to ask him what new price he used in November, which would be

effective following the termination of his old agreement when he prepared his forecast?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman puts that question to me with a smile and I know why. It is a purely academic question, in view of the decision which must be taken by the Prime Minister and premiers this week.

Mr. Speaker: Order, please. Presenting reports from standing and special committees.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a question of privilege concerning conflicting answers given by two ministers on the treasury benches. A question directed to the Prime Minister (Mr. Trudeau) by the hon. member for Rocky Mountain (Mr. Clark) was similar to a series of 29 questions I have placed on the order paper. Actually, the one just asked by my hon. friend was included among them. When I asked my question on this subject, namely, as to whether the monitoring of telephone calls was being contemplated—I believe that was my question at the time—by government facilities, the Prime Minister's answer, in effect, was that it was not in the national interest to answer the question. The Prime Minister's colleague on the treasury benches has answered an emphatic "No" to my hon. friend from Rocky Mountain House.

Mr. MacEachen: Where did you get the "House"?

Mr. Turner (Ottawa-Carleton): I thought that place had closed down.

Mr. Nielsen: I think this place should close down.

Mr. Speaker: Order, please. I am sure the hon. member well knows that whether the conflict be real or imaginary, it does not constitute a question of privilege.

Mr. Nielsen: Mr. Speaker, I must insist—

Mr. Speaker: The hon. member for Rocky Mountain (Mr. Clark).

Mr. Nielsen: Mr. Speaker, I rise on a question of personal privilege, if I must.

Mr. Speaker: Order, please. The hon. member for Rocky Mountain has the floor.

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

Mr. Speaker: Order, please. The hon. member for Yukon (Mr. Nielsen) raised a question of privilege which has been dealt with. I believe the hon. member for Rocky Mountain also wishes to raise a question of privilege which has at least equal standing. He now has the floor.

Mr. Nielsen: Mr. Speaker, on a point of personal privilege—

Some hon. Members: Oh, oh!

• (1500)

Mr. Nielsen: Mr. Speaker, I rise on a question of personal privilege. I think my question should be completed before the Chair rules on it. The question of privilege that I raise—

Mr. Speaker: Order, please. The hon. member for Rocky Mountain.

Mr. Nielsen: Mr. Speaker, on a question of personal privilege—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Nielsen: I have a question of personal privilege.

Mr. Speaker: The hon. member for Yukon raised a question of privilege which has been dealt with. I have recognized the hon. member for Rocky Mountain. If the hon. member for Yukon has a second question of privilege he will be recognized in due course.

Mr. Nielsen: My question of personal privilege is that I was not allowed to complete my question of privilege.

Mr. Speaker: The hon. member for Rocky Mountain.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I rise on a point of order. Despite its simplicity, it is important. In replying to the question asked by my friend from Yukon (Mr. Nielsen) a moment ago, the Prime Minister (Mr. Trudeau) indicated that in the Minister's earlier reply to my question he had dealt exclusively with the question of monitoring telephone calls placed in Canada to points in Canada. That was not my question. My question had to do with monitoring, by any means, long-distance calls placed in Canada to points in Canada or abroad. It is important that the record shows whether the answer of the Minister of State for Science and Technology (Mr. Drury) was to the question I asked or to the question the Prime Minister wished I had asked. I would like an answer from the Minister of State for Science and Technology.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,226, 1,248, 1,359, 1,517, 1,725 and 1,860.

Mr. Speaker, I ask that questions Nos. 48 and 152 be made orders for return and also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

Order Paper Questions

Mr. Speaker: Is it the pleasure of the House that the questions enumerated by the parliamentary secretary be deemed to have been made orders for return and that the returns be tabled in the manner described by the parliamentary secretary?

Some hon. Members: Agreed.

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

[*Text*]

PRIME MINISTER'S TRIP TO JAMAICA

Question No. 1,226—Mr. Cossitt:

1. (a) What government aircraft transported the Prime Minister and his family at taxpayers' expense to and from Jamaica for the recent December and January vacation (b) what is the cost per hour of keeping such aircraft in the air including fuel, crew, etc. (c) how many flying hours were involved (d) on what date and time did the aircraft (i) leave Canada and arrive in Jamaica (ii) leave Jàmaica and arrive in Canada (e) how many gallons of fuel were consumed in the entire operation and what was the cost per gallon of such fuel (f) what were the names, job designations and salaries in dollars of all crew members involved (g) what was the complete passenger list for any flights made?

2. Were any expenses whatsoever, other than transportation, paid for by the taxpayers and, if so, what is a complete itemized list with the amount of expense in each case?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of Transport and the Prime Minister's Office as follows: 1. (a) Ministry of Transport JetStar CF-ETN. (b) $550 per hour. (c) Nine hours 45 minutes (9:45)—excluding fuel stops.

(d) (i) December 29, 1974 — Depart Ottawa — 11:15 — fuel stop Nassau
— Arrive Jamaica — 18:15 — stop Kingston
(ii) January 12, 1975 — Depart Jamaica — 12:25 — fuel stop Freeport
— Arrive Ottawa — 17:30

(e) 5,000 gal. of fuel at $.58 per gal.

(f) Name	Job Designation	Salary
G. McAninch	Executive Pilot	$26,274 to $28,185
P. Laliberté	Executive Pilot	$17,617 to $20,384
A. Hodgins	Flight Engineer	$6.31 per hour
D. Fraser	Flight Steward	$6.16 per hour

(g) Passenger List:

Ottawa—Jamaica	Jamaica—Ottawa
Rt. Hon. P. E. Trudeau	Rt. Hon. P. E. Trudeau
Mrs. P. E. Trudeau	Mrs. P. E. Trudeau
Master Justin Trudeau	Master Justin Trudeau
Master Sacha Trudeau	Master Sacha Trudeau
Miss D. Lavergne	Miss D. Lavergne
Inspector B. Moss	Inspector B. Moss
	Miss T. Virgo
	Hon. J. Turner
	Mrs. J. Turner

INCREASE IN LAND RENTAL FEES TO COTTAGE OWNERS ALONG RIDEAU CANAL

Question No. 1,248—Mr. Cossitt:

1. What are all the reasons the government has commenced the increased land rental fees to owners of cottages on government property along the Rideau Canal by as much as 800 per cent?

2. What is the name and job designation of the highest official taking part in such a decision?

3. Taking as an example rental license number 60048 where an 800 per cent increase has been requested in return for a five year rental (a) what are the name or names, qualifications and addresses of appraisors who assessed the situation resulting (i) in such an increase (ii) in the rental established five years ago (b) what are all the factors uncovered that could possibly justify the government to contend that land value has increased 800 per cent in this area since 1969 to 1970?

4. How are gigantic rental increases by the government consistent with the fight against inflation?

5. Will the Minister personally review this matter with a view to seeing that only reasonable and sensible rental increases along the Rideau Canal are charged?

[Mr. Reid.]

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. For many years, the rentals set for Canal lands did not reflect the land's true market value, and therefore many people had the use, benefit and enjoyment of this land but paid only a nominal rent. Following the Glassco Report, the government instituted a program of rental review to establish more realistic rates. While the percentage increases may seem substantial in comparison to the token amounts paid in the past, the rents being charged today are still reasonable compared to the prevailing rates in the

private sector or those charged by other levels of government.

2. The Prime Minister and members of the government in Parliament.

3. (a) (i) The appraisal was carried out by qualified, certified appraisors of the Department of Public Works. (ii) The previous rents were nominal and were set by the Real Estate Branch of the Ministry of Transport. They were not set on the basis of land value. (b) The land value has not increased by 800 per cent. Previous rentals were nominal and bore no relationship whatsoever to land values. The present rates represent 8 per cent of the appraised value of the land.

4. The government believes that inflation must be fought on all fronts. One way is by ensuring that, through sound management principles, the public receives fair return on its holdings. This reduces the amount of money necessary for public programs which must be collected through direct taxation. There is no justification for some people to enjoy a substantial economic advantage over their neighbours because they are occupying public land.

5. No. Reasonable and sensible rental increases are presently being charged along the Rideau Canal. A return to the unrealistic rental rates that were formerly applied cannot be justified. It is intended to continue the policy of periodic rental review to ensure that rentals of public lands reflect the realistic value of that land as determined by today's market.

RADIO ADVERTISING

Question No. 1,359—Mr. Herbert:

1. What was the estimated percentage of listeners at peak radio listening time to those CBC radio stations in Montreal and Toronto that will soon be prevented by regulation from accepting advertising?

2. Have any soundings been taken to ascertain whether the advertisers on CBC Radio will continue to spend their radio budgets in the same media for the benefit of the privately-owned stations?

3. Were any representations made to CRTC by the private sector of the broadcasting system alleging that CBC was engaging in unfair competition?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Canadian Broadcasting Corporation and the Canadian Radio-Television Commission as follows: 1. At peak listening time in Toronto (7:30—8:15 a.m. on weekdays) station CBL has an approximate 7 per cent share of the total listening audience. In Montreal, the corresponding figure for station CBM is approximately 2 per cent and for station CBF approximately 8 per cent. (In both cities, the 100 per cent base includes all listeners, whatever their linguistic abilities.)

2. The CRTC advises that no soundings as such have been taken concerning the likelihood of advertisers on CBC radio continuing to use the radio medium through private stations. It is considered that, in those areas affected by the removal of advertising on CBC radio, there will be opportunity for interested advertisers to use private stations. It might be pointed out that potential benefit to private stations was not a consideration in reaching the decision that CBC radio should withdraw from advertising.

3. No representations were made to the CRTC by the private sector of the broadcasting system alleging that CBC was engaging in unfair competition in the case of radio.

FLOOD PROTECTION

Question No. 1,517—Mr. Johnston:

1. By province, what has the government spent in each year since 1971 on shared programmes for building approved permanent works for flood protection?

2. What specific projects have been undertaken in British Columbia since 1971 and at what cost per project?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of the Environment is concerned: 1.

	Manitoba	British Columbia	Ontario
1971-72	$58,910.00	$1,066,750.14	$ 80,057.53
1972-73		1,294,598.51	1,038,656.29
1973-74		2,183,692.75	755,408.13
1974-75			230,194.81

2.

Project	Total Commitment of funds
1. District of Kent	$ 2,680,349.00
* 2. District of Matsqui	2,283,600.00
* 3. Township of Chilliwack	5,847,435.00
* 3. Corporation of Delta	12,102,255.00
5. District of Surrey	1,259,250.00
6. Sumas Dyking District	99,864.00
7. Seabird Island Indian Reserve	85,521.02
8. City of Kamloops	1,283,400.00
* 9. Township of Richmond	12,983,500.00
10. Nicomen Island	100,000.00
Total	$38,725,174.02
Federal Share	$19,362,587.01

*These projects are still under construction
Other projects are virtually completed

Order Paper Questions

In so far as the Department of Public Works is concerned: 1. None. However, the Department of Public Works shares with the Province of British Columbia on a 50/50 cost sharing basis the operations and maintenance of the Okanagan Flood Control Project. Expenditures: 1971-72, $46,828; 1972-73, $61,505; 1973-74, $43,830; 1974-75, Estimated $65,000.

2. None.

ATOMIC ENERGY CONTROL REGULATIONS—INSPECTION OF LICENSEES

Question No. 1,725—**Mr. Francis:**

How many licences issued by the Atomic Energy Control Board were reviewed for breaches of the regulations in that particular licence and what action, if any, was taken as the result of such a review?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: There are currently approximately 3000 Atomic Energy Control Board licensees of which total 2900 are for radioisotope users and the remainder for other prescribed substances users and nuclear facility operators. The regulatory compliance performance of each of these licensees is reviewed continuously through a system which includes some or all of the following elements, depending upon the nature of the licensed use or operation. 1. Inspections. AECB-appointed inspectors make periodic and unannounced inspections of the premises of all licensed users and operators to determine that the terms and conditions of the licence and the requirements of the Atomic Energy Control Regulations are being complied with. In the case of nuclear power plants being constructed, tested, commissioned and in the early stages of operation, resident AECB inspectors are stationed at the plant.

2. Film Badge Monitoring. Licensees are normally required, as a condition of licence, to use a film badge service to provide a record of individual radiation exposures. Film badge results are reviewed and overexposure and chronically-high exposure cases are monitored.

3. Mandatory Reporting by Licensee. All licensees are required by the Atomic Energy Control Regulations to report unusual occurrences which did or could have resulted in a breach of regulatory requirements. These reports are investigated by AECB staff and/or advisers. Prescribed substance supplier and user licensees are required to submit periodic material inventory reports for review. Nuclear facility licensees are required to submit periodic safety performance reports for review.

4. Licence Renewal Reviews. All licences are issued for a limited term after a full review and evaluation of the detailed information submitted in support of a licence application. Similarly all applications for licence renewals are reviewed with particular attention being given to the past safety compliance performance of the licensee.

[Mr. Sharp.]

5. Monitoring and Review of Radioactive Effluents. All licensees are required to monitor and report releases of radioactive effluents. In some cases, these reports are audited by an independent survey conducted co-operatively by the federal and provincial departments of environment and health. In all cases, reports are made to the AECB for appropriate follow-up action. Actions taken as a result of such review procedures may take a number of different forms depending on the nature of the licensed use or operation and the nature of the regulatory breach. Such actions may include one or more of: (a) determination and ordering of corrective action (b) removal of over-exposed person from work areas involving significant exposure risk (c) amendment, suspension or revocation of licence.

BRANKO MILOSIC

Question No. 1,860—**Mr. Cossitt:**

1. Did Branko Milosic enter Canada during 1962 and, if not, on what date did he enter Canada?

2. Has the RCMP ever conducted an investigation in regard to this person and, if so (a) on what dates (b) for what reasons (c) what were the details of the investigation?

3. What are the names of all persons who at any time made representations to the government on behalf of this person for purposes of his admission to Canada or for any other purpose and, in each case, what are the details of such representations?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Manpower and Immigration and the Solicitor General (Royal Canadian Mounted Police) as follows: 1. Branko Milosic arrived in Canada on August 30, 1962.

2. No.

3. In accordance with the schedule for the destruction of files, the file concerning Branko Milosic has been destroyed. It is therefore not possible to respond to this part of the question.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC SERVICE COMMISSION—LANGUAGE TRAINING

Question No. 48—**Mr. Coates:**

1. How many firms or individuals have contracts or agreements with the Public Service Commission, Crown corporations or federal boards, that require those firms or individuals to provide language training to their employees?

2. (a) What are the names of the firms or individuals (b) for what period of time does the contract or agreement run (c) what is the total amount of each contract (d) for what period of time has each firm or individual held such a contract or agreement with the government?

3. What has been the total number of government employees receiving language training from each of the firms and what has been the success and failure rate in each case?

4. Are any of the firms in question operating outside Canada and, if so, which firm and how many government employees were trained by such firms outside Canada?

Return tabled.

GOVERNMENT ADVERTISING BUDGET

Question No. 152—Mr. Clark (Rocky Mountain):

1. In each year 1956, 1960, 1964, 1967, 1970 and 1973, what proportion of the total advertising budget of the government was directed to paid advertising in (a) member papers of the Canadian Weekly Newspapers Association or the Canadian Community Newspapers Association (b) Canadian daily newspapers (c) Canadian "ethnic" newspapers (d) Canadian magazines, excluding Time Magazine or Reader's Digest (e) Canadian radio (f) Canadian television (g) United States publications, excluding Time Magazine or Reader's Digest (h) Time Magazine (i) Reader's Digest (j) other foreign publications (k) United States television (l) United States radio (m) other Canadian media (n) other foreign media?

2. In each year 1956, 1960, 1964, 1967, 1970 and 1973, what was the total government expenditure on government information services and government publications?

Return tabled.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed, from Monday, April 7, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-8, to establish a national petroleum company, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Speaker: Pursuant to order made yesterday, the House will now proceed to the deferred division on the motion of the Minister of Energy, Mines and Resources (Mr. Macdonald). Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Macdonald (Rosedale) which was agreed to on the following division:

(Division No. 26)

YEAS

Messrs.

Abbott
Allard
Allmand
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Beaudoin
Bégin (Miss)
Benjamin
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caouette (Villeneuve)
Caouette (Témiscamingue)
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Daudlin
De Bané
Demers
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Firth
Fleming
Flynn
Fortin
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lambert (Bellechasse)
Landers
Langlois
Laniel
Lapointe
Laprise
Leblanc (Laurier)
Lee
Lefebvre
Leggatt
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Matte
McIsaac
McRae
Morin (Mrs.)
Munro (Hamilton East)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Philbrook
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rondeau
Rooney
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Symes
Tessier
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Yanakis
Young—(136)

NAYS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Bawden
Beatty
Brisco
Cadieu
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Dinsdale
Ellis
Elzinga
Fairweather
Forrestall
Gillies
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Howie
Huntington
Hurlburt
Jelinek
Johnston
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
La Salle
MacLean
Macquarrie
Malone
Marshall
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Munro (Esquimalt-Saanich)
Neil
Nielsen
Nowlan
Oberle
O'Sullivan
Reynolds
Ritchie
Roche
Rynard
Schumacher
Skoreyko
Stanfield
Stevens
Stewart (Marquette)
Towers
Wagner
Wenman
Whittaker
Wise
Woolliams—(67)

Bill read the second time and referred to the Standing Committee on National Resources and Public Works.

● (1530)

[*Translation*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES

The House resumed, from Thursday, December 19, 1974, consideration of the motion of Mr. Sharp that Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be read a second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Bill C-44 was the subject of numerous comments in the newspapers and other media throughout the country. It is unfortunate to find that in 1975 we are still obliged to introduce a bill forcing us to vote ourselves a raise in members' salaries.

Mr. Speaker, I suggest that future increments for members of the Commons and the Senate be decided by an independent board. I said earlier that the bill raised many comments, rebukes and criticisms. However, reasonable people supported the raise in principle, since members of Parliament are going through an inflation period just as are all other Canadian taxpayers.

When this bill was first introduced in 1974, my colleague for Lotbinière (Mr. Fortin) said to the House, in a masterful speech, why he supported an increase in parliamentary salaries. On December 19, he reminded the press, the journalists who are here in the press gallery, what ridiculous concept they have of the serious role of federal members in this House.

Mr. Speaker, that is so true that I have never seen the press protest so vehemently and scathingly against an increase in the MPs' salaries, while they agree with salary increases right and left to just about anybody. But an increase to the MPs, that makes no sense!

For instance, one evening, I heard my friend Jean-Marc Poliquin tell us over the French CBC television network and in all seriousness: "The members of parliament gave (*se taper*) themselves a raise here, gave themselves another raise there, then gave themselves something extra for expenses." According to Jean-Marc Poliquin, of the CBC's French network, we were a gang of "tapés".

An hon. Member: "Tapettes" (gays)?

Mr. Caouette (Témiscamingue): Not "tapettes". I do not think he said "tapettes" but "tapés". The following evening, it was Mr. Larin's turn, again on CBC!

An hon. Member: He is being paid by the government!

Mr. Caouette (Témiscamingue): He is of course a state employee. Well, these people earn as much as any federal MP—

An hon. Member: More!

Mr. Caouette (Témiscamingue): Out of public funds! We are those who vote their pay increases in the budget and permit them to get adequate pay cheques. That is quite normal in their cases, but in the cases of hon. members, it is a shame!

Mr. Speaker, we can establish well-founded parallels. When CBC employees go on strike at the expense of Canadian taxpayers to obtain pay raises, do we hear them say anything against strikes? Of course not! The poor chaps need more to make ends meet and live a decent living. However, they do not find anything vile enough to say against hon. members, they ridicule them as much as they possibly can, as my colleague from Lotbinière was saying on December 19, 1974.

The day after the speech of the hon. member for Lotbinière, no one reported one word of what that member had said in the House.

I personally made a survey in my riding, as some of my colleagues did in their own, asking flatly to the electors what they thought about it. For instance, in the riding of Villeneuve, 571 of the 600 survey-letters received favoured a rise in members' salaries, while only 20 were opposed to it. Those are on the side of the press, the others on the side of common sense.

Mr. Speaker, the union leaders, Pépin, Laberge, Charbonneau and—

An hon. Member: $50,000 a year!

Mr. Caouette (Témiscamingue): —the others, the thieves of the James Bay, who earn salaries higher than any member's salary.

● (1540)

Do you hear the reports on television or do you read them in the newspapers? Do they object against Pépin, Laberge, Charbonneau, Chartrand and all their confederates, Mr. Speaker, do they denounce them? Such individuals as Pépin, Laberge, Charbonneau and Chartrand are better paid than the Prime Minister of Canada (Mr. Trudeau)!

The Quebec provincial members also granted themselves a raise. They were criticized a day or two, but you no longer hear about it today. Those people are better paid than any federal member! The Quebec premier draws a higher salary than the Prime Minister of Canada yet with fewer responsibilities. What are the responsibilities of the union leaders? Pépin and Laberge say: We represent 300,000 workers! It is incredible how those individuals entirely devote themselves to the working class. We, the federal members, are responsible for 22 million Canadians and not merely 300,000! So it is scandalous for members of Parliament to be paid! That there are members who do not deserve an increase, I agree, just like there are journalists who would not deserve to be journalists. Yet they still are. Mr. Speaker, let us compare other people with responsibilities. I read recently in the airline companies' expenditure budgets that B-747, DC-9 or DC-8 pilots are being paid $50,000 to $75,000 a year, and we agree that those people deserve their salaries.

Mr. Speaker, why do we accept to pay those people such large, substantial salaries? Because we recognize that they are responsible for 300 or 200 passengers behind them, that they pilot aircraft all across the world. Mr. Speaker, we

have no objection to those people being well paid but we, federal members of parliament, the government, the Leader of the Opposition (Mr. Stanfield), pilot 22 million people, and because we talk of a salary increase, it is scandalous! It is scandalous that we should give ourselves increases!

Mr. Speaker, I wonder here where is that famous mental, professional or intellectual honesty in those people? And they are the ones who never stop crying in the name of freedom of the press. We allow them to say anything against us but the moment we answer back we are attacking the freedom of the press. They have the right to come down on us as much as they can. If we told them anything or tried to stop them from talking, then they would be crying murder.

That is why I said to the Prime Minister yesterday: "Why don't you send them on a trip to Europe!" Some do go. Recently, I saw on television my friend Larin who was in Viet Nam or some southern or eastern country. Paid by whom? By CBC. Financed by whom? By the federal government. Larin did not seem to find that ridiculous. It was not scandalous. He was basking in the sun, and that was normal. Another day, Jean-Marc was in Paris. Mr. Speaker, that does not mean that I have anything against Jean-Marc. No. He is a sympathetic fellow, but he should get off our backs.

I have just talked about airline pilots and the freedom of the press. During the Easter break, I had the opportunity to make a trip around the Mediterranean, not at the expense of the CBC or the government, but at my own expense. I visited eight countries around the Mediterranean including Israel, Egypt, Greece, Lebanon and Turkey. I looked at the behaviour of people, politicians and the press. And, as the right hon. Prime Minister said yesterday, and I agree with him completely on this point, I have not yet seen anywhere in the whole world a country where the people of the press, the reporters, have as much freedom as here, in Canada.

I would advise them to visit Cuba, for instance; it is not far and their expenses would be paid by the CBC. They would see what would happen if they wrote against that regime, like they write against our system. How long would this be tolerated? Let them go and do the same thing in France! Let them go and speak against the French president or write against him and they will see what happens! Let them go in Russia to try and fight against the regime, or in Czechoslovakia! No. Here in Canada, we smile when they attack us, but there is a difference between that and tolerating the ridicule which they try to put on the federal members of parliament who have to assume responsibilities much greater than those of reporters. I am only asking them to be honest. I do not beg them to give us their blessing. No. They should bring us to order if we deserve it. But if we work honestly, sincerely, they should recognize it and stop laughing at the ideal democratic institution. The hon. member for Lotbinière was solid on December 19, but the press lacked the courage to mention this.

A while ago, I spoke about airline pilots. I would now like to talk about Crown corporations, the CN for instance. The chairman of this corporation earns about twice as much as the Prime Minister of Canada. The chairman and vice-chairman of Air Canada both earn more money than the Prime Minister. Several deputy ministers are better paid than their minister. In all Crown corporations, the situation is the same.

Mr. Speaker, we do not object to the deputy ministers and secretaries being paid decently. I endorse the claims of the hon. member for Winnipeg North Centre (Mr. Knowles) when he contends that the Public Service employees should be well treated. Would the hon. member object to the members' salaries being increased? Mr. Speaker, let us be logical and stop acting like hypocrites!

I have been told that the New Democratic Party would oppose the legislation raising members' salaries. If the New Democrats are logical here, they were not in British Columbia, in Saskatchewan and in Manitoba. The first thing the socialist government of British Columbia did was to increase the members' salaries, and with Mr. Barrett, I think the salaries were raised a hundred per cent. In Saskatchewan, when my hon. friend from Nanaimo-Cowichan-The Islands (Mr. Douglas) was head of a New Democratic government, salaries were increased. Maybe not while my hon. friend was premier, but after he had left, they were pretty quick in passing their salary increase. Our friend, Mr. Schreyer, sat next to me in this House when he was a New Democratic federal member. The first thing he did after being elected premier in Manitoba was to increase the provincial members' salaries.

An hon. Member: For each session!

Mr. Caouette (Témiscamingue): Yes, for each session, on top of that. Why should we then in Ottawa, under pretence of pleasing part of the electorate, why should we oppose the increase in members' salaries for purely political reasons? Mr. Speaker, I believe this would be fraught with inconsistency and, frankly, hypocrisy!

Mr. Speaker, Crown corporations and provincial legislatures managed to get reasonable salaries. I suggest responsible members doing an honest job should have adequate salary. We owe it to them, and to this country's future. This morning I heard over the radio that young people show a total lack of interest in politics, in the wake of the hearings of the Cliche enquiry in Quebec and the Hamilton and Quebec harbours scandals.

Mr. Speaker, I feel that if the young were interested in playing a role as members of parliament, in representing the people—and this will not happen if the members' role is defiled, diminished or decried as is now done in the press—if the function was enhanced to its fullest value and earnestness, there would now be a greater number of young people interested in public affairs, and the basic political matters in Canada—not partisan politics but the real political problems in the deepest sense of the term, this could be conducive to pursuit by the young a public career of some form or other. But it would require that the press discharge their responsibilities, that they promote interest in politics among the young people, that they induce a greater number of serious people to take an active part in all levels of Canadian political life.

Mr. Speaker, I have here other comparisons. In the field of sports for example, we have today players receiving $200,000 a year for a six or seven months' season. One baseball player, a Mr. Hunter, recently signed a $3,700,000

contract to play baseball, to throw a ball at somebody holding a bat! That is baseball. In football, players are well paid, and I do not object to that—

An hon. Member: They kick off—

Mr. Caouette (Témiscamingue): The Prime Minister knows that well, because he was asked to kick off three of four times in the last four or five years. Football players are well paid, I do not object to that. As I said a moment ago, reporters do not object either. It is a sign of great quality, of sanctifying grace when a hockey, football or baseball player gets a big salary. Reporters say: "What a good player, he earns that much!" Why do they not say the same for members of parliament who, I repeat, do not spend their time entertaining only three or four hundred thousand people, but are responsible before 22 million Canadians! That is a real responsibility! Seriously, Mr. Speaker, I said we had to attract young people. I am making comparisons. I do not want to compare members of parliament to sports players, but if we accept to see sports players get such salaries, why do we not accept that members of parliament, who have duties, also have rights? Once duties are duly accepted and understood, they deserve adequate payment. Which does not mean they should roll in money. Besides, newspapermen convey the impression in their articles that when we get a higher pension or allowance the money gets directly into our pockets, and we do not have to pay anything out of it. Mr. Speaker, why do those journalists up in the gallery not say that most members of parliament have to maintain two residences, one in Ottawa and one in their own riding, and incur twice the expenses while they pay income tax like anybody else?

Last year my pension plan cost me $3,000 or more and I paid about $7,000 in taxes; in other words I had to pay close to $11,000 out of my $24,000. How much is left? $13,000. That is less than any journalist sitting in the gallery earns! But that does not count. We get everything free. People tell us: "You'll get a large pension". But we pay accordingly. Tell me of any industry or business whose employees have to pay $3,000 a year for their pension plan! That is what we in this House have to pay for our "big" pension plan.

● (1550)

[*English*]

Mr. Knowles (Winnipeg North Centre): You pay only $1,440 a year.

Mr. Caouette (Témiscamingue): I have some back tax to pay, and you know that. I am rich; I can pay. Perhaps you are too poor to have the big plan so you have the smaller one.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Does the hon. member think that it is fair arithmetic to count what he pays for back years against income in the current year?

Mr. Caouette (Témiscamingue): I do not know, but I have to pay for it anyway. Whether it is for 1946, 1967 or 1976, I do not care; but I know I pay for it.

[Mr. Caouette (Témiscamingue).]

Mr. Knowles (Winnipeg North Centre): Not $3,000 a year.

Mr. Caouette (Témiscamingue): Not far from it. And the income tax we pay, do you agree with that? The difference that is left to us is less than the amount left to the newspapermen in the press gallery.

An hon. Member: They pay the same income tax.

Mr. Caouette (Témiscamingue): We pay as much as they do.

An hon. Member: We make more money.

Mr. Caouette (Témiscamingue): And we pay for it; that is the point. They think that members of parliament do not pay a dime out of their income. The reporters present the whole thing as if we were paid 100 per cent and we did not have to disburse anything.

An hon. Member: When did you start listening to reporters?

Mr. Caouette (Témiscamingue): I am starting now.

[*Translation*]

Mr. Speaker, other Canadian citizens have huge revenues, but newspapermen have no objection to that. I spoke of union leaders earlier. Let us now turn to doctors and lawyers. Some doctors in Ontario earn $200,000 a year, according to data compiled and published by the provincial NDP member in Toronto, himself a doctor. Mr. Speaker, journalists do not object to that. Neither do we. But when it comes to members of parliament, people say: members of parliament do not deserve that much, they are not responsible people.

I maintain that we are responsible for a whole nation. Whether we belong to the Liberal, Progressive Conservative, New Democratic or Social Credit party, we have a number of rights and duties with respect to Canada as a whole. We work to preserve the rights of our fellow citizens and we remind them of their duties as Canadian citizens. And I will say to journalists that they too have rights and duties with respect to their fellow citizens. Let them respect their duties and we shall respect their rights.

● (1600)

[*English*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I suppose no member of parliament is likely to earn the undying favour of the public by speaking in favour of this bill, but the fact is that the bill as it is now before us, and with possible future modifications, is not only one which would provide justice to hon. members of this House and the other place but it is also a bill which would safeguard the public interest. I do not even need to speak about the public interest in ensuring that those who serve the public on a full-time basis in parliament are paid justly, the same as everyone else in society should be, but I speak primarily of the fact that there is a public interest in helping hon. members to resolve the conflict of interest situation with respect to their own remuneration in which they have found themselves since the beginning of our country. This

conflict of interest situation is not one which is easily eliminated, but it is one which I believe would be eliminated by the proposals which are before the House.

Before I get into that question, I think I should very briefly review the events leading up to this bill. The bill before us is a government bill like all other government bills, but it is worth noting that there were consultations among backbench members of the various parties which prodded the government into bringing forth such legislation. These were not official consultations with any party; indeed, they cannot really even be dignified by the title of an ad hoc commission or committee. They were general consultations with members of all parties, consultations which proceeded normally on a bilateral basis, that is, between two members at a time, one member of one party and one of another party, backbench members of all the parties being involved. On one occasion there was a slightly more formal meeting at which members of all parties but one, the NDP were represented, but the NDP backbenchers with whom consultation was taking place were informed of the results of the meeting and gave it their blessing.

So there is considerable support by members of all parties in this House for a proposal with terms very similar to those in the bill before us today. The result was, as I have said, a measure for which the government and hon. members on this side must take the responsibility, but which I am confident will also find support from members of all parties in the House.

I have spoken about the question of conflict of interest. This is a very serious problem and one which has greatly exercised members of parliament, especially in the last year, perhaps because of events in other countries where we saw the dire consequences which can result from lack of sufficient concern in public life about this matter. We have passed new election expenses legislation which we believe goes a long way toward solving the problems in that area, and we have before a parliamentary committee a government paper with respect to other forms of conflict of interest in respect of members of parliament.

The question of the proper remuneration for members of parliament is perhaps the most subtle of all the forms of conflict of interest which could be before us, because essentially in a parliamentary democracy there is no one else who can ultimately deal with this problem. For instance, it is often said that members of parliament are elected on the understanding that they will not increase their salaries during their term of office. However, the fact is that from the very beginning of our country members of parliament have always exercised that right. It has therefore come to be assumed that members of parliament are elected with the knowledge that they can at any time increase their remuneration, yet they have exercised this power with some restraint in the past and I have no doubt will continue to do so in the future.

I and most hon. members of this House think it is important that we arrive at some formula which will enable us to establish a method which puts this decision at arm's length from us. One possibility would be to link increases in salary and expenses for members of parliament to those of members of the public service or members of some groups in the private sector. It has been suggested, for instance, that we should be linked to annual increases for people in professional occupations, to people in executive posts or simply to people in higher posts in the public service. But quite apart from the difficulty of deciding which group members of parliament are like—and I think we all feel that we in this House have a unique occupation which is not easily categorized with any other—it seems to me that there are very fundamental difficulties in making this kind of correlation, difficulties which I think we would not find very satisfactorily resolved in the long run.

In their ad hoc consultations, most members of parliament tended not to look on this option with very great favour even though it would have brought them undoubtedly—as any comparison with the public service would indicate—both a higher salary now and a higher salary in the future. In other words, I think that the principal aim of members of parliament in supporting a bill such as this is not simply to increase their own remuneration: it is also to establish an objective reference for the kind of remuneration which will be as fair to the public as it is to themselves.

Another possibility is to have an outside commission make recommendations. This possibility is one which obviously has to be considered very seriously. We have already had the Beaupré commission. The front bench of the NDP is recommending that we should again have an outside commission which would make recommendations to parliament as to what is an adequate scale of salary. But we had an outside commission; we had the Beaupré commission which recommended that the salary level should be $25,000 in the twenty-ninth parliament. Applying the industrial composite index to that would have brought us a salary in the present parliament of $29,115. That would be the result of the recommendations of one commission which was, I think, a commission as objective as any which could be found.

The objection which members of parliament have to referring this matter to an outside commission is not that we would be afraid that it would not make a recommendation which would do us justice. Indeed, the commission I have referred to made a recommendation of $29,000 for the present parliament, which is larger than the amount the government has come forward with in this bill or which the members of parliament who consulted each other recommended to the government. Rather, the objection lies in fact that there is, then, the added difficulty that we are still in the embarrassing position of having to vote the increase ourselves. We would still have to exercise our own judgment in a matter of self-interest. This is precisely the position from which we set out to remove ourselves.

I believe that if we were to refer the question to an outside commission, it would have to be a kind of arbitration commission. It would have to be a commission from whom we would accept, without question and without the need for further legislation, the proposals it would make. It is possible that this question will receive further consideration by hon. members. However, as they proceeded last fall, the people who consulted informally on this question felt that the question should be phrased in terms of an outside standard and the two outside standards to which they made reference were the consumer price index (CPI) and the industrial composite index (IPI). I want to

discuss those two together because I think much of the argument about which outside reference we should use has been centred around the difference between these two indices.

The frontbench members of the NDP have said that we should simply use the consumer price index, and that the increase we should have, should only be on the salary portion and not on the expense portion of our remuneration. It is rather strange to me that the front bench of the NDP has failed to appreciate the symbolism of such a limitation on the part of members of parliament. After all, things which we do here have some significance elsewhere in the country. In fact, much of the discussion of this bill has been based on that very fact.

Not long ago the Ontario government made a proposal for a 5 per cent cut in salary. I would like to draw the attention of the House to the comment which Mr. Stephen Lewis, the leader of the New Democratic Party in Ontario, made regarding that proposal: he referred to it as a crock of hypocritical nonsense. He saw the implications of the argument; it meant that labour should cut its wages.

● (1610)

Mr. Broadbent: Who is talking about a cut here?

Mr. MacGuigan: No one is talking about a cut here. We are talking about the connection between what happens inside and what happens outside this House. The front benches of the NDP refuse to recognize that connection. If we should accept only the cost of living increase, it would mean that is all the workers of ths country should get and that no productivity increases should be paid to our labour force. That would be the meaning of such action. It is nice to know that some New Democrats who hold office in the provinces appreciate the distinction; it is also nice to know that some who are out of office in the provinces appreciate it. It is a shame that the same cannot be said of the front benches of the NDP in this House.

It would be difficult to tie our increases solely to the CPI. Let me say, frankly, that sometimes the consumer price index is higher than the industrial composite index and there are times when the ICI is above the CPI. If we tied our increases directly to the CPI we would be tying ourselves directly to the inflation factor, and that would not do. Nothing else would need to be considered; we would be effectively insulated against inflation. Many of us do not think that members of parliament should put themselves in the position in which they have such a direct interest in inflation. Many do not think that as inflation increases as measured by Statistics Canada, members should be given a similar kind of increase.

Moreover, to be fair to members of parliament, there would then be no explicit allowance for the productivity increase which all members of the labour force receive each year. Obviously, this is a disadvantage which would apply to members. Of course, one newspaper has suggested that increases should be limited to productivity increases.

Mr. Lambert (Edmonton West): What is their productivity increase?

Mr. Fairweather: The *Globe and Mail* just put its price up by 66 per cent.

[Mr. MacGuigan.]

Mr. MacGuigan: The newspaper which made that proposal for members of parliament did not follow it either with respect to the wages it pays its reporters or the price it charges for its product.

The industrial composite index is perhaps the broadest base to consider. The records kept by Statistics Canada in this field are the best available indication of the trend of weekly Canadian wages and salaries. If we tied ourselves to this index we should say that we are prepared to abide by the results of negotiations which take place across the country, no matter on what basis they are negotiated. We would say that we are prepared to take only the kind of increase which the average constituent receives. It is clear, if one examines the period 1970 to 1974, that we have proposed receiving considerably less than our constituents received in that period.

I shall now refer to the appropriate figures and show how the industrial composite index applies to the indemnity of members of parliament and to allowances of members of parliament. The increase in the ICI between 1963 and July last year was 114.52 per cent. Let us apply that percentage to the 1963 figures. In 1963 members received $12,000 indemnity and $6,000 allowance. Applying the stated figures, in July, 1974, members would have received an indemnity of $25,742.40 and an allowance of $12,871.20, making a total of $38,613.60. This is almost exactly the figure suggested initially.

If one considers only the increased percentage from the period of the last increase in October, 1970, to July last year it is 37.17 per cent. Applying that figure would lead to an indemnity in July, 1974, of $24,690.60 and an allowance of $11,065.60, making a total of $35,756.20. This, again, is considerably more than was proposed in the second instance by the House leader, and accepted by Her Majesty's Official Opposition when we discussed the previous bill in December.

Some may feel that applying these formulas too rigidly in future might be unfair either to members of parliament or to the public; that is to say, it might not be possible to increase members' salaries and allowances at an adequate pace or, putting it the other way, the formula might lead to increases which are too large. I do not think anyone on this side is unreasonable. I do not think it would be impossible to review this procedure and possibly change the application of these formulas in future. But it seems to me that this is the best standard on which one can begin. It is the most objective standard to adopt at present. I suggest that modifications can be introduced to this basic system if they then appear necessary.

I spoke first about the general formulas to be used because I think these influences present levels of remuneration and allowance. I now want to turn to that subject and consider what could be fair to members, acceptable to the public and in the public interest. The proposals which have been made—especially the most recent proposal—are considerably below what would be derived from the application of the formulas referred to. For example, the proposal for a 33⅓ per cent increase is some 4 per cent below the 37-odd per cent which would accrue to members of parliament if the ICI had been strictly applied since the last increase. I think this shows the public that members of parliament are taking their responsibilities seriously,

that their attitude is not one of wringing the last cent out of the public treasury but one of trying to arrive at a solution which is fair to everyone concerned, both members of parliament and the public.

In this context I think it is important for us to discuss expenses. The hon. member for Oshawa-Whitby (Mr. Broadbent) made some unfortunate references to expenses, which I believe should be discussed in this House. His argument in objecting to any increase at all in the expense allowance is based on the fact that certain improvements have accrued to members of parliament since the last increase in 1970. He said, as recorded at page 2338 of *Hansard* for December 17, 1974:

> First, there are the constituency newsletters; second, there are the constituency offices; third, the constituency secretaries; fourth, the weekly flight and/or car expenses; fifth, the caucus research staffs; sixth, expanded office facilities in Ottawa—

He spoke of expenses under those headings as being justifiable expenses, but then suggested that the very fact these items had been introduced had relieved members of parliament of the burden of expenses which they had previously incurred. I did not know that many members of parliament in 1970 were supporting a caucus research staff, had expanded their office facilities here in Ottawa or had rented extra rooms here, and so on. It is true that in Britain, labour unions provide these facilities for certain members of the British House. Perhaps this is also done here, but I do not know of many members who on their own supported such outside offices.

The weekly flight provisions and the expansion of members' rights to fly back and forth give members the right to fly to other parts of the country. However, the fact is that most members of parliament simply did not accept invitations which require them to travel at their own expense to Vancouver, or to some other place which is expensive by reason of its distance from Ottawa, in order to perform public functions. Therefore, there would be very few cases in which this provision would result in a saving for the individual member.

● (1620)

It is true that some members sent out constituency newsletters. I did not at that time; I could not afford it. I know most members of this House did not, but there may have been some who did. Perhaps they will be somewhat in pocket in this regard. There may have been some who operated constituency offices. I did for approximately a year before this privilege was granted by the House. The total cost was not very great when you were merely renting small premises. I am not aware of any body of members of parliament who supported constituency secretaries on their own allowances. Some received support from the riding associations to do something of that kind on a part-time basis. I am not personally aware of any members who did this out of their own expense allowance.

This tends to be a rather fraudulent argument against an increase in the remuneration which members of parliament would receive on the expense side. In fact, I wonder if we might even apply to it the description "a crock of hypocritical nonsense".

Some hon. Members: Hear, hear!

Mr. MacGuigan: On what does the member of parliament spend his expense money? I would like to give a list of the kind of expenses I have personally. I believe they are fairly typical of the type of expenses a member of parliament has. The largest of these expenses is that of housing in Ottawa. This varies greatly, depending on how much of the time the member lives in Ottawa and whether his principal residence and his family are here. I think this fact indicates how difficult it would be to submit stubs with a voucher system.

This is one of the basic decisions a member of parliament has to make. He has to decide how he can best serve his constituents. Could we possibly have a public servant who would decide that a member of parliament has no right to move his family and make his principal residence in Ottawa, as opposed to the constituency? Could we possibly subject this matter to some kind of judgment by someone outside the political process entirely? This is the kind of decision a member has to make and for which he is fundamentally responsible to his constituents on election day.

In addition to housing expenses in Ottawa there are the additional expenses of living. There is the cost of buying meals out if, as mine is, his family is in a different city. The cost of entertainment for constituents who come to Ottawa is one of the expenses of a member. How much this amounts to depends on the distance of the member's constituency from Ottawa. The closer it is, the more visitors he will have in a year. Even with the modest subsidy given in the parliamentary restaurant this can be a very considerable expense for members of parliament.

I find it necessary to have a car in Ottawa and a car in my constituency. Other members may prefer to use taxis. If they feel they can get taxis in Ottawa when they need them: they may be able to rely on that source of locomotion. Whether it is the expense of operating two cars or the cost of hiring taxis, it is very considerable, running into several thousand dollars. Unless a member literally carries everything back and forth every week, there is the necessity for a double wardrobe. There is also the net cost of making contributions to causes and events which one would not make if he were not a member of parliament. That is difficult to measure; it has to be left to the member's discretion. It could not validly be judged by a public servant, but it is still a genuine cost of this kind of life. There is also the cost of additional publications, newspapers, magazines and extra copies of official documents, sometimes for constituents who impose on you in this respect and sometimes for yourself.

The extra cost of the constituency office is one which I hope may be remedied in the not too distant future. The fact is this is also at present an expense for most members of parliament. There is the cost of telegrams and extra telephone calls. There is the additional expense of child-sitting and the additional expense of household operation in one's constituency by reason of our job, which we would not have otherwise. There is also the cost, for many members, of Christmas cards which they send to their constituents. This is a list of the kind of expenses which I have. Last year, by the best estimate that I can make, they came to more than $12,000—considerably more than the allowance provided by parliament for these purposes.

I suppose the answer really depends on the individual member, but one can ask whether there is a certain degree of hidden income in the member's allowance. Obviously, this is an impossible question to answer. All the data that was submitted to the Beaupré commission and which has been presented to the public press by members would suggest not; in any event, it is surely unconscionable for members of the front bench of the New Democratic Party to so distort parliamentary life as to suggest that all this expense money is hidden income, added to a member's salary over and above the normal salary, which he does not spend on expenses. Yet that is the effect of the kind of arguments they make. For example, on December 19, 1974, as recorded at page 2398 of *Hansard*, the NDP House leader said:

> In 1972, members of parliament were in the top 1.5 per cent of all income tax payers. Stated differently, this means that 98.5 per cent of all the working people in Canada who pay taxes and who have living expenses as well, earn less than members of parliament . . .
>
> It want to stress, for the benefit of all members, that it seems to me we must keep in mind that we are among the very affluent in our country. As I have said, if this bill should pass, that position vis-à-vis the rest of society will be heightened for members of parliament. We will move from being among the top 1.5 per cent to being among the top .5 per cent.

That, Mr. Speaker, is totally false.

Some hon. Members: Hear, hear!

Mr. MacGuigan: The latest figures that I have are for the tax year 1973. If you take this in terms of families—and, of course, this was at a lower income level than we now have, which means the percentage would now be higher—and bear in mind that our annual salary is $18,000, 12.7 per cent of Canadian families had incomes of more than $20,000. The figure is not given for $18,000; obviously, it would be something like 15 per cent. At present-day figures it would probably be more like 20 per cent. Therefore, we are far from being in the top income bracket. We do well to be in the top 15 or 20 per cent. Taking individuals and families combined, the percentage is slightly less; the figure at that point was 9.6 per cent. Again, that percentage applied to $20,000 incomes. It is hard to compute what the percentage would be for the breaking point of $18,000, but it would be between 12 and 15 per cent.

Those are more exact statements of the position in which members of parliament find themselves in terms of the income earners of this country: it is not in the top 1.5 per cent or .5 per cent, but in the top 15 or 20 per cent.

A newspaper story that appeared in the December 20 edition of the Montreal *Gazette* written by Mr. Radwanski, makes the point that 7,500 federal civil servants then earned more than $20,000 a year. Undoubtedly, if you applied the figure of $18,000 it would be more like 10,000 civil servants who earned more than $18,000 a year, and these are people whom we employ.

● (1630)

We do not necessarily have to be at the top of the pinnacle in the public service to the extent that we can be assimilated to the public service—but whether or not we are at the very top we can hardly continue to be in the position where some 10,000 of the people we employ and who often are co-operatively working with us should be paid at a higher rate than we are.

An hon. Member: With their 37 hours a week.

Mr. MacGuigan: Yes, with their 37-hour week, as contrasted with the 90-hour to 100-hour week that a member of parliament puts in, including his travelling time. As I have mentioned, a commission was set up to look into this question. The Beaupré commission recommended that members of parliament should receive $25,000 in the twenty-ninth parliament. This would put us in the $29,000 bracket now. We have not asked for that amount. Our demands have been more modest because we have been concerned not only that our demands should be just but that they should be seen to be just, so that Canadians would realize that we were not out for the last dollar but for a kind of minimal justice for ourselves and that we are attempting to protect the public interest by removing this conflict of interest.

It seems to me that what we face in this bill is a question of fundamental honesty for members of parliament. It may be that some members would be content with a crock of hypocritical nonsense. But I believe that if most members speak and vote as they really think about this bill, there is no doubt that they will support this very enlightened, very moderate legislation which is not only just to members in a rather minimal sense but is also highly protective of the public interest.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, nothing more demonstrates the nature of this debate than the speech we have just heard. What are the issues here? The hon. member for Windsor-Walkerville (Mr. MacGuigan) was saying to us: My own government has been unable to control inflation in the economy. My own government has been unable to control all kinds of unfairness which has taken place in the economy. Therefore, we have to get on the bandwagon and grab everything we can.

Some hon. Members: No.

Mr. Saltsman: That is exactly what he said. We are considering a statement by a member of a government which has abdicated every kind of leadership in this nation. That, more than the money itself, is what is at issue. What is at issue is that the so-called free market economy is just riddled with all kinds of people grabbing things for themselves, and the hon. member is suggesting to us that we should not be left out of the race. There is no leadership from that side of the House as far as controlling inflation is concerned, and he is therefore saying: Let's go with it.

The hon. member for Windsor-Walkerville should be very careful before lecturing this House and my leader, in particular, on honesty. That was one of the most dishonest speeches I have heard for a long time. It was comparing apples with oranges. It is quite clear, even from the section of *Hansard* from which he read, that my hon. friend for Oshawa-Whitby (Mr. Broadbent) was referring to individual incomes. And what did we hear as a comparison? Family incomes, which obviously are much higher and entirely different. If you want to compare family incomes, then compare them. But it was grossly wrong to

inject figures of that kind into a speech in which the hon. member lectured the House about honesty.

Mr. MacGuigan: On a point of order, Mr. Speaker, if it is true, as the hon. member has said, that his leader's comparison was restricted to individual incomes, I do not have the exact figures in front of me because I have just given them to the *Hansard* reporter, but the same point has to be made: the difference between what the New Democratic Party House leader said and the facts are remains as wide.

Mr. Saltsman: I do not see that that really changes the situation much. The figure we were referring to was the total amount with both salary and expenses included. We are not the only people in the world who have expenses. I get a little tired of hearing people sounding off around here about how badly treated MPs are. We are not the richest people in the world, but neither are we the most oppressed section of our society.

I see that on this auspicious occasion members of the official opposition are coming to the defence of the government. It is a nice change. Usually, during the question period, we hear them asking the government what it intends to do about the terrible inflation which is taking place in Canada, what it intends to do about the various increases that are taking place, what it intends to do about this, that and the other. But when it comes to the salaries of MPs, the question of inflation doesn't seem to arise. I wonder what the members of the official opposition would say if people in some other segment of our economy gave themselves a 50 per cent increase. Would they refrain from asking about the matter during the question period?

Mr. Lambert (Edmonton West): After nine years, come on!

Mr. Saltsman: It depends on the kind of case you are trying to make. When we received the last increase it was broadly understood that it was not only for that time; it was for catch-up and it was for the years ahead.

Mr. Lambert (Edmonton West): Nonsense. It was only your own leader who made that suggestion in argument.

Mr. Saltsman: This is a difficult debate for all hon. members. It is as difficult for me as it is for members who are taking a different position. I want to make it clear that it is not a question of having a superior morality; it is not a question of being holier than thou.

Mr. Cafik: Would the hon. member permit a question?

Mr. Saltsman: I would be glad to entertain any questions at the end of my speech. I am sorry that what I am saying is causing this kind of reaction. I see the hon. member appears to be very anxious to ask his question, so I will accept it now.

Mr. Cafik: I appreciate that a great deal. I am certainly not trying to have a run at any member of this House. I understand the concern of the hon. member. He expresses a difficulty he shares with others in dealing with this subject. I wonder whether he would find any difficulty about supporting the amendment which I am putting forward, an amendment which would make this permissive legislation—members who do not want an increase would not have to take it. Would the hon. member be agreeable to supporting an approach of that kind?

• (1640)

Mr. Saltsman: Mr. Speaker, that sounds like an excellent suggestion and I am really glad it is being put forward, because we should be extending a principle of the Liberals and Conservatives on that basis. Members of the Liberal Party voted against the old age pension for years, and are still voting against any amendments we bring in for an increase in those pensions so they themselves will not get increased old age pensions. The Conservative Party, which took such a vicious stand against it, would be deprived of the Canada Pension Plan; and those who do not like the family allowance program could, on a conscience basis, refuse that allowance.

Mr. Speaker, all this is nonsense and the hon. member knows it. I am just sorry that I gave him the chance to come in with that ridiculous kind of statement. Over and over again we have voted against things that we know we cannot even refuse. We know that, but are we going to curtail a very important debate in this House because of that kind of spurious suggestion? I think the debate deserves better than that.

Let me get back to the subject of this debate and its significance for members of this House. Despite the fact that the NDP appear to be on the side of the angels, what is significant is that no member of this House will come out of the debate covered with glory. All of us will suffer, Mr. Speaker. Every party in this House, every member of this House, and in the long run this parliament, will be discredited. It is important to remember that. At a time when most of us are going around talking about the evils of inflation and the need for restraint, and denouncing various greedy elements in our society, we ourselves set an example of greed. That is what is wrong with the whole thing. This party has taken a position and it looks as though we are on the side of the angels in this debate. Just look at the Gallup polls. We have not received any credit for the position we have taken. Parliament is being run down in this country.

It is all very well to take the position that the hon. member for Témiscamingue (Mr. Caouette) took, and to receive laughter and applause. I wish we could train other people as well as he has trained his members. He took off on the press, Mr. Speaker. Just this morning an editorial suggested that we should get absolutely nothing until we lick the problem of inflation. Obviously, we are not going to solve the total problem of inflation in this or any other parliament. Obviously, members of parliament are entitled to some increase. That is not what we are debating. But to take off on the press and say it has no right to criticize us is not realistic. Other countries have been known to step on the press when they get out of line, but that is not our way. While I may not like what the press has to say about us, I must confess that it is not entirely undeserved.

Had it not been for the NDP digging in its heels at Christmas time and perhaps being a little outrageous, the increase would have gone through in a snap. That is what the government was hoping for. By taking the stand we

have, that the increase is too much and something different and better should be worked out, I think we have done a service to this country. It is not that the press alone did it, or that the press picked it up and inflamed the country with editorials: press editorials tried to inflame the country to vote Conservative in the last election, and look what happened! The public is angry, and whatever influence the press may have on public opinion is beside the point. It would be a mistake to think this is a fight between parliament and the press because it is more than that; it has become a fight between parliament and the people of this country for credibility.

As the leader of this party has said, and indeed all members of this party say, some kind of increase for MPs is necessary. What sort of increase should it be, and how should it be arrived at? It is not important whether it is tied to the industrial index, to the cost of living index or the consumer price index. What is important is the indexing itself and the basic unfairness of it. If you add 10 per cent to an old age pension, it represents something worth while to the pensioner although it may be only a dollar and some change. Add 10 per cent to an MPs salary and the increase represents more than the entire old age pension.

That is what is wrong with indexing, Mr. Speaker. It is regressive, whether it be the industrial index or the cost of living index, because it either maintains the gap between those who are well off and those who are not, or enlarges it. It makes the inequality of the situation worse than it was. If this parliament were concerned about removing the distance between those who have and those who do not have in this society, the award would have to be substantially less than the industrial index or the cost of living index.

That is the kind of decision this parliament should be taking, Mr. Speaker. I am surprised that the Conservative Party missed the opportunity of saying, "Now is the time to look at an incomes policy. Let us start with the incomes of members of parliament and establish some kind of guideline for our society about how incomes should be arranged". You remove the gap between the rich and the poor by giving more to those at the bottom and less to those at the top. For all the Conservative Party's talk about an incomes policy, there is not a word about it when it comes to their own salaries. If you are going to bring in an incomes policy—and I think sooner or later this country will come to that—whether it is a guidelines policy or a direct control policy, surely the place to start is with MPs salaries. It is not done by saying that everybody is getting outrageous salaries in our society, or some people are, and that MPs salaries have to match. That is not showing any kind of leadership.

While we concede that there is some substantial ground for increasing the present salary of MPs, what ground is there for increasing the expense allowance? The hon. member for Windsor-Walkerville criticized the statement made by the hon. member for Oshawa-Whitby at considerable length, saying that the benefits we now receive really should not be included. I will speak for myself on this matter, Mr. Speaker, but I do not think I am too different from many other members. Until a few years ago I paid for my own newsletters; admittedly not the full price, but I paid for them. I also paid for printing questionnaires, for extra help, for a telephone in my riding. The riding association paid the bulk of the constituency office expenses. I know many other members paid the same type of expenses from their salaries before we were given the expense allowance. But we did it because we thought it was an important way to serve our constituents.

The hon. member for Windsor-Walkerville also overlooked the fact that most of the contributions we make to a political party are now deductible for income tax purposes. In our party, that amounts to a substantial part of our income, Mr. Speaker. Personally, it saves me about $1,000 a year and that is a substantial benefit. It may be that Liberals and Conservatives do not give anything to their parties or riding associations: perhaps they are paid. Members of the New Democratic Party, however, have always made contributions toward the work of the riding associations because it is of benefit to us. There are other benefits which I could indicate.

● (1650)

Mr. Stanfield: Mr. Speaker, the hon. member indicated he has a method of saving $1,000 a year through income tax credits. I would love to know about this before he goes any further.

Mr. Saltsman: I appreciate the suggested correction, Mr. Speaker. It is not $1,000; it is $500 odd. It is, nevertheless, a very substantial saving.

Mr. Gilbert: It is $500 for himself and $500 for his wife.

Mr. Saltsman: There is one other matter I should like to deal with in the few minutes at my disposal, and that is the suggestion that if we do not pay large sums of money we will not get good men and women running for parliament. Surely that is a most self-evident piece of nonsense. This parliament is composed of many good men and women, but I do not think they are any better than those we had before when the salary was $3,000, $4,000 or $5,000 a year. I am sure that if any of us wished to abdicate, or felt we could not possibly stand the onerous responsibility of continuing to be a member of parliament and retired from this place, there would be a great rush for our jobs even at the present salary. I am sure you could get somebody with my qualities, or someone perhaps better or worse, but the point is that there are many good men and women in the Parliament of Canada.

This job cannot be equated with other types of occupations. It is a very specialized kind of job and it must be obvious that in a nation of 22 million people, the 264 men and women are here to legislate on behalf of the people of this country. If any one of us wanted to get rich, there are many better ways than by becoming a member of parliament. If we wanted to live longer or have a better family life, there are much better ways than by being a member of parliament. When we accept the responsibility of a member of parliament, we know there will be certain associated problems. For example, we know we will not get rich; but we are entitled to a decent salary enabling us to live in a responsible sort of way.

I think we should get a little more than we are getting now, but we are not entitled to the moon and we should

not make outrageous demands on society, using all kinds of padding from time to time to support our suggestions. That is what I am saying to members of this House: we should look at the situation realistically. I know that members will say I am being hypocritical and that I will take the money. I do not want to get back into the argument that took place before about conscience clauses, and that sort of thing, but I would ask hon. members to really look at what has been happening. The proposal put forward by the government will not be as beneficial to hon. members as the one initially suggested and all of us in this House, over the next couple of years, will be receiving less. There is some argument that over the entire period it will amount to the same thing, but from what I can understand we will be getting substantially less in the next couple of years than we would have received under the proposal originally brought forward by the government.

Let us not talk about hypocrisy. The stand and the fight we are conducting in this party will in fact reduce our opportunity of getting that increase in income. It will cost us money to put up this fight; I think that must be clear. If you want a test of sincerity, surely that is the test. We are going to continue this fight, and if it costs us money to do so in the sense that we get something less than the proposed salary increase, we will just have to live with the responsibility of taking that position. We will also have to learn to live with the catcalls from both sides of this House.

Let me conclude by saying that this House has a tremendous responsibility. I can appreciate how hon. members feel when they look around and see that people with perhaps less skill, who do not work as hard and make fewer sacrifices, are receiving more money. Surely that is not a good argument for us to follow but is, rather, a good argument for us to do something about what is wrong in our society in that some are getting more than their fair share. That is really the point of the whole debate.

If we continue to be seen as we are, unfortunately, seen by the people of this country, being no different and having no more conscience than anyone else—and everybody else is demanding more—it will be a sad time for this country.

Mr. Caccia: Mr. Speaker, may I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: The hon. member for Windsor West (Mr. Gray)—Energy—Oil—Request for investigation of possible fraudulent increase in import prices; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Air Transport—Crash of DC3 at Rimouski—Report alleging non-compliance with regulations; the hon. member for Hillsborough (Mr. Macquarrie)—Airports—Request for decision to construct.

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

Mr. Reid: Mr. Speaker, I think there is some agreement to proceed with Order No. 34, Bill C-234, standing in the name of the hon. member for Yukon (Mr. Nielsen).

Mr. Deputy Speaker: Order, please. I do not wish to question the suggestion made by the parliamentary secretary regarding the agreement, but I have some reservation about the bill that is proposed for study by the House this afternoon.

Let me refer hon. members to a statement by Mr. Speaker on October 13, 1974, regarding the presentation of a mass of private members' bills. At that time he suggested it was impossible for the Chair to review the contents of each of these bills, and suggested that the bills be read the first time and leave it for the Chair to make a later decision regarding the procedural acceptability of individual proposals.

At the same time I feel it is unfair to come in on a day like this when there has been some general agreement as to the debate on a particular bill, and taking most of the time on a debate on the procedural acceptability of the proposal. I would be tempted to suggest to the House that there might be an agreement to debate the subject matter of the bill, but to go that far would not be following our normal procedures. I would enter a caveat in respect of our proceeding with an examination of the bill proposed by the hon. member for Yukon (Mr. Nielsen).

● (1700)

This is a caveat which would at least provide for the regularization of the bill in respect of its present weaknesses concerning the lack of a royal recommendation which would be necessary in order for it to comply with the procedures of this House. I must refer hon. members generally, although I am sure I do not have to bring it to the attention of the hon. member who is proposing the bill, or of the parliamentary secretary, to Standing Order 62(1), which is quite clear. It provides:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

So, because of the provisions of the standing order, and also because of the fact that another such bill was proposed in the previous parliament, Bill C-11, an act to amend the British North America Acts, 1867 to 1965, which was meant to achieve about the same purpose, which was proposed by the government, and to which was attached a royal recommendation which complied with Standing Order 62(1), I would not want the House to proceed with the consideration of Bill C-234 without giving a warning to hon. members or without suggesting to the House that, over and above the unanimous consent to proceed with Bill C-234 at this time, although it is not first in the list on

the order paper, there should be an understanding that if it should come to a vote the Chair would reserve and delay such vote until there was a royal recommendation which would meet the obligations and requests of Standing Order 62, or make a definite decision at that time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if you are asking for agreement on two counts I should like to say a word first concerning the request that Bill C-234 be considered in this hour despite the fact that that would mean jumping it over several others. We certainly are prepared to go along with that.

On the question of whether or not the bill is in order, I do not know whether I am about to refer to something to which Your Honour referred a moment ago when I was looking up something else, but I should like to point out that there is on the order paper, in the name of the government, Bill C-3 which would do the same thing that is proposed by the hon. member for Yukon (Mr. Nielsen). Of course Bill C-3, in the name of the President of the Privy Council (Mr. Sharp), does have attached to it the royal recommendation.

It would seem to me that, if the royal recommendation is required for the government to propose senators for the Yukon and Northwest Territories, the same obligation should rest on a private member. However, although I am opposed to senators I am not opposed to the House spending the hour debating this bill if that should be the wish, but it would be on the understanding that if the debate were to end, and a vote called, at that point there would have to be a ruling from the Chair as to whether or not the bill is in order.

Mr. Nielsen: Mr. Speaker, I hesitate to speak on the procedural point raised by the Chair at this time. I believe we are prepared to go along with the suggestion that the debate proceed and, should the debate come to an end, that sufficient opportunity be given to members at that time to make their submissions on the procedural point raised by the Chair before any ruling is made concerning the bill. In this way we could save time by not becoming involved in the procedural matter.

Mr. Reid: Mr. Speaker, the arrangements are satisfactory to us. As the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, there is on the order paper in the name of the President of the Privy Council Bill C-3 which deals effectively with the same thing. I believe it would be the will of the government, if the House should show a disposition to come to a decision in respect of Bill C-234, to provide the royal recommendation if it should be necessary, in order to allow it to come to a decision. From the point of view of the government I should point out that it really does not matter whether this end is accomplished by way of a private member's bill or by way of a government bill. It is the end that the government devoutly desires.

Mr. Deputy Speaker: As there seems to be complete understanding and agreement, the Chair will call the order and we will proceed with the debate. Perhaps I should say this is the second time the present occupant of the Chair has been faced with the same situation where there has been agreement to debate a bill in respect of which there was some procedural reservation. Again today, the Chair felt that it was unfair to take away from the time provided for such an important debate. It might be that the Chair and its advisers should look at the problem of making decisions upon the procedural acceptability of bills a longer time in advance, so that we do not lose time in reaching procedural decisions on bills on which there has already been agreement for debate. Is it agreed that we proceed to the consideration of Bill C-234?

Some hon. Members: Agreed.

[Mr. Deputy Speaker.]

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BRITISH NORTH AMERICA ACT

MEASURE TO PROVIDE SENATE REPRESENTATION FOR YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon) moved that Bill C-234, to amend the British North America Acts, 1867 to 1965 (Yukon and Northwest Territories Senate Representation), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I shall be very brief in view of the position taken by the government. I might, on behalf not only of the people of the Yukon Territory but of the Northwest Territories as well, express my gratitude to the government, a thing I very seldom do, for its farsightedness in this case. I would hope I could do the same thing in respect to the party to my left which is represented in this House by the hon. member for the Northwest Territories (Mr. Firth) concerning matters in the north.

This is a bicameral system we have in our country. Whether or not my hon. friend for Winnipeg North Centre (Mr. Knowles) agrees that there should be Senators, and we all know his position in that regard, surely it is unfair that all parts of Canada except the two northern territories should be fully represented in the bicameral parliament of this country. It is unfair to leave out the Yukon Territory and the Northwest Territories, and by opposing this bill that is precisely what we would be doing.

Mr. Knowles (Winnipeg North Centre): Perhaps that would be the fairest thing we could do for the north.

Mr. Nielsen: No, it is not. We want full representation. The Yukon Territory and the Northwest Territories want Senate representation. It may well be that when the hon. member for Winnipeg North Centre (Mr. Knowles) brings forward his bill to abolish the Senate he may find me on his side, because I share a great many of his views in respect of the other place. However, while we have this system we, as Canadian citizens in the north, are just as entitled to be represented in parliament as is any other province. That is all this bill seeks to do, and it is all that Bill C-3, the government bill, seeks to do.

• (1710)

I have had this private member's bill on the order paper for many years now, and I am thankful that the government is prepared to go to the extent of providing the royal recommendation—which I do not think is necessary and which I will argue if the need arises. However, the government is prepared to provide that, so that the last possible objection of any member, including the hon. member for Winnipeg North Centre (Mr. Knowles), should be disposed of by it. I hope, Madam Speaker, that we can give second reading to the bill and move it to the committee. In the meantime the government could provide the royal recommendation that may or may not be essential, and then the bill would be acceptable even despite that possible procedural objection.

Having said that, I urge the hon. member for Winnipeg North Centre not to stand in the way of Canadian citizens in the Yukon and the Northwest Territories being represented as fully as any other Canadian citizens in parliament by permitting representation in the Senate.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, it is a rare occasion when I can rise to commend the hon. member for Yukon (Mr. Nielsen), as many in this chamber are aware from previous debates, especially for his presentation of his Bill, C-234. It is a unique opportunity for the voice of the north to be heard, and as a northerner myself I have noted the very dense concentration of Senate representation from the heavily populated south. We on this side of the House have no objection to this bill proceeding.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Madam Speaker, we do have a procedural problem at this point. I understand that the debate is coming to a close, and I really do not know how to resolve the problem in the sense that we have to find some way of getting a royal recommendation to apply to a bill not presented by the cabinet, although the cabinet has presented Bill C-3 to the House for which it has obtained a royal recommendation.

I wonder if we could agree to suspend proceedings at this point, if no one else wishes to speak, and once we have had an opportunity to resolve the dilemma perhaps an order could be made so that we could have a vote on it, if necessary, when we have solved the procedural problem of a royal recommendation.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I believe that the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) has raised an interesting point which obviously may take some time to resolve, that is, just how the hon. member for Yukon (Mr. Nielsen), who is not a member of the Privy Council, can obtain a royal recommendation from the Governor General for his bill.

Mr. Nielsen: Pull, drag.

Mr. Knowles (Winnipeg North Centre): Pull? I have not yet found the word pull or the word drag in the British North America Act or in the Standing Orders. But no doubt that matter will be resolved if that is the will of the House.

However, I wish to state my opposition to the bill, and let not the hon. member for Yukon or the hon. member for Skeena (Mrs. Campagnolo) suggest that this is a case of speaking against the north. I am opposed to this bill precisely because I do not want to insult the north. I do not want to insult the people of the Yukon or the people of the Northwest Territories by proposing to them that somehow they will be brought into the mainstream of Canadian life because a couple of Liberals are appointed to sit in the Senate on their behalf.

I think that this House did the right thing not many weeks ago when it made provision to increase the representation of the north in this House of Commons so that we will have, in the next parliament, one member for Yukon and two members for the Northwest Territories. This is where representation really counts, this is where the action is. I do not think it is worth anything to the Yukon or to the Northwest Territories to have representation in the other place.

With regard to the argument of the hon. member for Yukon that he might support my proposal to abolish the Senate but in the meantime let us have someone in it from the north, there are lots of thing to which I might be opposed in society, but that does not give me the moral right to patronize them while they exist, does it? You can fill in the blank, if you want.

I suggest that the arguments in favour of this bill add up to zero. If it is the will of the House that it be approved either in the name of the hon. member for Yukon or in the name of a cabinet minister, that is the will of the House. But in defense of the dignity and the real rights of the people of the north I say that it is an insult to try to fob off on them the idea that they are brought into the mainstream of Canadian life if they have a couple of Liberals sitting in their name in the other place.

The Acting Speaker (Mrs. Morin): Is it agreed that the bill stand until further consultation?

Mr. Nielsen: It is agreed, provided that if the royal recommendation is not obtained we will have the opportunity to submit arguments on the procedural point involved.

The Acting Speaker (Mrs. Morin): Is it agreed that the bill will hold its order of precedence?

Some hon. Members: Agreed.

Mr. Reid: Six o'clock.

The Acting Speaker (Mrs. Morin): The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock tonight.

At 5.20 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Members' Salaries

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES

The House resumed consideration of the motion of Mr. Sharp that Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, there was not time for research into how, during the past 100 years or so, salary increases for members of parliament were brought about, but I would not be surprised to learn that there have been in the past instances similar to ours when uproars on the part of an alienated public were heard to reach as far as Parliament Hill.

In 1971 at least some of us here went through a similar experience, and at that time I made a mental note asking myself whether there was not a better way to provide elected representatives with salary increases when needed, which would be more adequate and more acceptable than the way we have proceeded so far in recent years.

It will take me only a few minutes to explain why I will be voting against this all-party bill. I disagree with the present bill on two counts—the approach, and the timing. Let me explain the problem of the approach. This bill was produced here internally with very little if any consultation with the outside world, and it was brought out into the open rather suddenly. It is no surprise that the public was rather dismayed and that a certain degree of resentment developed, but that does not mean that there are not many Canadians across the country who want to see their elected representatives well remunerated in order to enable them to do an adequate job.

As a result of that one wonders whether there is not a way to develop a bill with the support and understanding of Canadians. The obvious solution is the formation of a commission, and this is not a novel idea. It was a good idea when it was tried in 1970-71. Perhaps a larger and more representative group would be needed. This commission would serve at least two purposes. It would prepare public opinion because of its work, and it would provide a number of recommendations which it would be up to parliament to adopt subsequently in the form of a bill if they were acceptable. It may produce, for instance, one measure which I would very much welcome, namely, the removal of the tax exempt portion of elected representatives' salaries as a step which would be quite consistent with the measures introduced in 1972 by the then minister of finance through tax reform. The Beaupré Commission was a good idea, and it is one on which we could improve in the years to come.

The other reason for my voting against the bill is in relation to timing. It seems to me that any bill like this, or bills in future years for future parliaments, would be acceptable if it or they were to come into effect as of the date of the following election. It is true that in this case three years is a long time to wait, and it is true that it would mean a tightening of belts, but it would be an approach which would indicate our intentions, prepare the public, and develop greater public support for a measure of this kind.

[The Acting Speaker (Mrs. Morin).]

If we consider this evening not only this bill but subsequent bills for, say, the next 50 years, if we were to have these two basic elements—the commission first to supply the data and the recommendations, and a bill which would come into effect as of the date of the following election—then it seems to me that we will have done a good job in considerably improving our present method.

I hope that hon. members will consider these two steps for this parliament and for future parliaments. I do not know whether I have convinced many or only a few—

An hon. Member: None.

Mr. Caccia: —that by adopting the procedure I have described tonight, we will have saved ourselves and the public much unnecessary grief. I have tried hard, Mr. Speaker, both in caucus and here, to convince hon. members, and there is at least full agreement on one point—our job is a rather unique job. We are legislators. At the same time we are the link between the people and the government, and we are those in whom the public has confidence and high respect. There are great satisfactions which can be derived from this kind of work and by playing these different roles.

I do not think we need to go through such experiences as we have between December and now if we were to adopt a procedure which will make the public part of the process rather than partially alienating the very same people who, in the end, would want to see members of parliament well remunerated.

Perhaps hon. members may see merits in these ideas. They are not really original. They are based on just plain common sense and motivated by the desire for searching for an approach which will spare elected representatives something which they do not deserve, namely, the criticism of the people they endeavour to represent in this House every day.

● (2010)

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

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I should like to know whether the previous speaker would be willing to answer a few questions.

Mr. Deputy Speaker: It could be done with the consent of the hon. member for Davenport (Mr. Caccia).

Would the hon. member accept a question?

Mr. Caccia: Certainly.

Mr. Olivier: Mr. Speaker, I would like to ask the hon. member what he will be doing with the raise. Does he intend to give it to charitable institutions in his constituency. I would like him to tell us.

[*English*]

Mr. Caccia: Mr. Speaker, as I said, I tried hard in this House and in caucus to put forward an alternative

approach; but I suggest that with this measure, as with any other, the will of the majority of the House will prevail.

Mr. Olivier: You have not answered my question.

Mr. Deputy Speaker: Is the House ready for the question? I see the hon. member for Winnipeg North Centre (Mr. Knowles) rising. Is he rising on a point of order?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker, I rise to speak.

Mr. Deputy Speaker: Order, please. The Chair is in a technical difficulty inasmuch as I am under the impression the hon. member has already spoken. Perhaps I am mistaken. If so, perhaps the hon. member can confirm my mistake.

Mr. Knowles (Winnipeg North Centre): I think Your Honour will find that I spoke on a point of order. I know that my name appears in the index of *Hansard* for the Thursday of the week before Christmas. I myself wondered why my name appeared, but I assure Your Honour that I spoke only to a point of order and that I have not spoken on the second reading of the bill.

Mr. Deputy Speaker: I am sure the House will accept the word of the hon. member. I thought the hon. member spoke when his leader had moved an amendment. In any event, I will recognize the hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like in my opening words to congratulate the hon. member for Davenport (Mr. Caccia) on the brief but constructive speech he just made. It was obvious that, sitting where he does in this House, it was not easy for him to speak against this bill. I think all of us should pay him our respect for the stand he took.

The hon. member referred to his having been through this experience in 1971 and, since he is being obliged to go through it again, he feels strongly that a better way should be found to deal with this matter. I can say to the hon. member that this is the fifth time I have been through this experience and I thoroughly agree that we should find a better way—

An hon. Member: You have been here a long time; why couldn't you suggest something better?

Some hon. Members: Oh, oh!

Mr. Broadbent: But you guys are the government.

Mr. Knowles (Winnipeg North Centre): We have tried, Mr. Speaker, and I want to say that I approve of the two main points that I gather the hon. member for Davenport was trying to make. They were, one, that there should be some kind of outside body which should make the judgment as to what the remuneration of members of parliament ought to be; two, that any decision made by a parliament regarding the remuneration of members of parliament should come into effect at the beginning of the next ensuing parliament.

I congratulate the hon. member on the statement he made. I was glad to hear him say that he fought for his view in the caucus of which he is a member. I wish that his fellow members had listened to him more intently.

An hon. Member: But he is not the government.

Mr. Knowles (Winnipeg North Centre): It is evident from the interruptions and the catcalls coming from across the way that feelings tend to run high in this kind of debate.

An hon. Member: That's right. This is unpleasant.

Mr. Knowles (Winnipeg North Centre): It can become quite an unpleasant experience. Some of us may feel that we are on the right side of the issue and that outside this House there is support for our position; nevertheless, it is not pleasant to stand in this House and feel that most members are critical of what one is saying.

Perhaps I might be allowed to lighten the atmosphere of this House a bit by recounting an incident which took place in January on a bus, south of London, England. The Standing Committee on Procedure and Organization, of which I have the honour to be a member, spent about ten days in London, in the middle of January, studying the procedures at Westminster and giving thought to our own. When we finished our deliberations we were driven one dark Sunday night from London by bus down to a town near Gatwick Airport, where we were to spend the night so that we could get our aircraft from Gatwick the next morning.

We had a fine driver, but he had never been to the hotel where we were to spend the night. After he drove around for some time in different directions it became obvious we were lost. Actually he stopped a couple of times and went into one place or another to find out where we were and how to get to the hotel. Our only concern was that it was getting late. But the concern we felt as we sat in that bus gave way to a sensation of delightful relief when, out of the silence, came the poetic voice of the hon. member for Hamilton Mountain (Mr. MacFarlane), who said something like this, "Well, there is one thing that is good. If we are lost, it means that Stanley won't get back to Ottawa in time to stop the pay bill."

An hon. Member: But here you are.

Mr. Knowles (Winnipeg North Centre): I made some remark to the effect that I would get here somehow; and here I am. And, if possible, I should like to see Bill C-44 stopped. I say that categorically.

An hon. Member: Because that is in your interest.

Mr. Knowles (Winnipeg North Centre): I say to my hon. friends opposite that I do not have many notes in front of me and if they interrupt me, they will help me. I will be able to speak for the full 40 minutes.

I say to this House candidly that I wish, with all my heart, that this parliament had what it takes to say no to this bill. If this House could send this bill back to where it came from it could well be one of our finest hours.

Some hon. Members: Oh, oh!

An hon. Member: Don't be absurd.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I suggest to hon. members opposite that by their childish interruptions they are only underlining the indecent attitude they are taking on this question. As far as my colleagues and I are concerned, and this goes also for some members on the other side and some members of the Conservative party, this is a very serious issue.

My reason for saying that this House's opposition to this bill could be a high point in the life of this institution must surely be clear. Sir, Canada's economy is in trouble. Inflation may not yet be of the runaway variety, but it is awfully close to it. On every hand it is being said that we need restraint. We get it every day from the Minister of Finance (Mr. Turner). We get it frequently from the Leader of the Opposition (Mr. Stanfield). In one of his memorable contributions during the question period one day just before the Easter recess he was pleading for action from the government following the recess. He said quite clearly, "We, the Conservative party, are prepared to go along with restraint."

● (2020)

Neither the Minister of Finance nor the Leader of the Opposition has said that he would apply that restraint to this question of the pay and allowances of members of parliament. However, I suggest it is true that what this country needs at the present time is the practice of some restraint. The place for that practice to begin is with ourselves.

I believe quite firmly that even the announcement in December that parliament was going to increase its pay and allowances by 50 per cent did damage to the economy of the country. That damage has already been done. Since then, there have been many instances of demands for higher wages that are in percentage brackets much higher than they were in 1974. The reason groups of all kinds feel free to make very high demands is because they feel they were given a lead in that direction by the parliament of Canada through the announcement in December that this place was going for a 50 per cent increase.

Precisely because of the damage that was done by that announcement, I suggest we now have to lean over backwards. We have to go for even less now than might have been reasonable then, as a means of giving a lead to the people of the country. There are talks going on between the government and various economic sectors of the country in an effort to reach some kind of consensus. When workers are out on strike, we say they are asking for too much. In some cases we even legislate them back to work at lower rates than they want. If it is the general view that there should be some restraint, we are the ones who ought to be practising it right here.

I go along with the views that have been expressed in other parts of the House, and with a view that is held by my own party, that there may be a case for some increase in the remuneration of members of parliament. I think there was a better case before December than there is now. However, the fact that we have asked for such an outlandish increase has done the kind of damage to our economy that I think we ought now to repair.

[Mr. Knowles (Winnipeg North Centre).]

I plead with this House, even if there are only a few of our voices that are doing it, that we not rush headlong into approving this bill. I have to say that I am disturbed by what is happening today. I thought this debate was starting afresh and we were going to hear from the Prime Minister (Mr. Trudeau) and the Leader of the Opposition. In fact, yesterday I was told that was going to happen, but I was told today they were not going to speak. Today all we get from the government side of the House in support of the bill is one speech by the hon. member for Windsor-Walkerville (Mr. MacGuigan). We have heard no comment not a word, from the official opposition. There was one speech by the leader of the Social Credit party.

It is obvious from the calls for "question" that members are hoping this can be got out of the way before the country realizes what is happening. I do not think that is a responsible way for this parliament to act.

An hon. Member: It has been in the papers for months.

Mr. Knowles (Winnipeg North Centre): The hon. member says it has been in the papers for months. A lot of things have been in the papers for months. There have been a lot of letters from people across Canada for months expressing concern about what this place is doing.

I make my appeal even to those who can make a case on the basis of expenses, family costs, and the increased workload. I appeal to those who think an increase is justified to face the fact that our primary responsibility in this place, in this House of Commons, in this parliament of Canada, is to give leadership to this country.

What this country needs now in terms of economic leadership is some voice that will say restraint is necessary, and that we are prepared to practice it ourselves. Maybe it is a voice crying in the wilderness of this place. There is at least one ear across the way that I take it is sympathetic.

I would regard it as the height of irresponsibility and a cynical approach to our responsibilities if members, simply by sitting quiet and trying to howl down some of the rest of us, allowed this bill in just one day to get second reading and go to committee.

What is at stake in this bill is not just the alleged financial difficulties of members of parliament, the desire to have a little more, or the differences between us. What is at stake is the question of whether we, the members of the House of Commons of Canada, are prepared to give leadership to a country which is in trouble.

I deplore as strongly as I can the silence from the government side. I deplore equally the silence from the official opposition. I point out, however, that the Conservative party as a party is not silent on the question. There came into my hands a short while ago a copy of a document which is headed "National President's Newsletter". It is on the letterhead of the Progressive Conservative Association of Canada. It is from Michael A. Meighen, the national president, and is dated March, 1975. The first two or three paragraphs give a general rundown on the sins and omissions of the Liberal government. Then he says, and I quote:

Despite the doubletalk, total government spending has increased by 33 per cent or over $8 billion. In addition, a government which is in the

middle of a business-labour wage war created in part by its non-existent anti-inflation policy, has the audacity to propose 50 per cent salary increases which have made a farce of its voluntary restraint program and public service negotiations. This government seems unable to comprehend its responsibility as the ultimate arbitrator and pace-setter in fighting inflation.

If that is the position of the Progressive Conservative Association of Canada, as stated by its national president, Mr. Michael Meighen, I suggest that position ought to be stated in this House by the Leader of the Opposition, by the hon. member for Don Valley (Mr. Gillies), by the hon. member for York-Simcoe (Mr. Stevens) and others who purport to speak for the Progressive Conservatives of this country with regard to economic matters. I agree with Mr. Meighen that it is an audacious act for the government, in this time of economic trouble and crisis, to come in with this kind of proposal.

I deplore the fact we are not hearing from the Prime Minister. I am equally disturbed that we are not hearing from the Leader of the Opposition or other spokesmen for the Progressive Conservative party. It is not only the Progressive Conservative party that has taken this view through its national president. The Minister of Finance is running around the country preaching restraint. The government is constantly telling labour groups that they are asking for too much. Only a few days ago we put one group back to work by legislation.

There may be a good case for all of this, but the case would be a lot stronger if we showed we were paying some attention to the preachments that are uttered in this House of Commons. Therefore I urge that any thought of this bill being put through tonight be forgotten. Surely that is the least I can urge.

● (2030)

An hon. Member: Okay, baby!

Mr. Knowles (Winnipeg North Centre): If the hon. member over there would like to make a speech I hope he will do so. This is an important debate. The least the House should do is allow this issue to be under debate for a few days, not just for one day so that it slips out of the news before the people have heard about it. Debate should continue until the people of the country are persuaded that the House of Commons is treating this issue as the serious one some of us believe it to be.

Having said these things about the general nature of the proposition before us I want to express misgivings about some of the details in the bill as it is now presented. Incidentally, the general impression, as a result of what the President of the Privy Council (Mr. Sharp) said on the Wednesday of the week before Christmas, is that when the bill gets to committee certain amendments will be made to it. The hon. member for Windsor-Walkerville, although he is not in a position to speak for the government, confirmed that understanding this afternoon. Nevertheless, what is before us as far as any vote is concerned is not an amended bill—it is the bill which was introduced last December, one which provides for a 50 per cent increase in both the indemnity and the expense allowance, and declares that such an increase is to be retroactive to July 8, 1974. This leads me to say immediately that I do not think there is any justification for making whatever increase parliament decides on to be retroactive to the date of the last election.

The hon. member for Davenport has just argued that any increase voted by parliament should not come into effect until after the next election. Yet here we are being asked to make it law that we should get a substantial increase retroactive to the date of the 1974 election.

There is a point concerning which feelings are so strong and arguments are so sharp that maybe we will never be able to settle it. That is the question as to how long a period the increase voted in 1971 was intended to cover. I know there is nothing in *Hansard* about what was understood at that time. However, I have been here for five of these battles and it was certainly my understanding, my grasp of the situation, that the reason the boost was so high in 1971 was that it would be several years before there would be another. Some hon. members do not accept that argument, but as far as I am concerned, it is a valid point. Even if hon. members do not accept it I still do not see how anyone can justify asking for an increase to be retroactive to the day on which members of this House were elected.

When we ran in the election which culminated on July 8, 1974, we knew what the pay and allowances attached to this job would be. We knew that if we were fortunate enough to get here it would be $18,000 taxable plus $8,000 by way of a tax-free allowance. I submit that if there is a case for an increase now because of the higher cost of living since July 8, 1974, any such increase should come into effect only now, and not be made retroactive to July 8, 1974. A retroactive payment of the kind suggested would mean we would each get a cheque for a retroactive amount which would be greater than the amount most people make in an entire year. I submit this is not justified in all conscience, and I urge that, if this bill does get second reading and move into committee, the effective date be changed.

Another point which bothers me has to do with the indexing which is now proposed. I said a few moments ago that all we are voting upon is Bill C-44 in the form in which it is before us. But we do know, from what was said by the President of the Privy Council on the Wednesday before Christmas, and from what the hon. member for Windsor-Walkerville said this afternoon, that there are proposals to provide for an escalation of the salary and allowance, starting in 1976, which would be based on the industrial composite index or, as the hon. member for Windsor-Walkerville called it, the ICI, as opposed to the CPI, or the consumer price index. I find this proposal as offensive as any I have seen brought before the House of Commons.

Some of us have for years fought hard for the principle that pensions should be escalated not just by the rise in the cost of living, which only keeps people where they were upon retirement, but that they should be indexed in accordance with the rise in the standard of living. We have suggested that the gross national product should be used as a base; we have suggested that the wage index be used as a base. We have never been able to get the government to accept this principle. This point was made very clearly in a report issued a few months ago by the National Council on Welfare, a body which operates under the aegis

of the government and which produces some very good reports—hon. members will recollect its recent report, "Poor Kids."

I am now referring to the report issued in 1974 entitled "Prices and the Poor." In that report a plea was made that pensions across the board should be indexed, not with reference to the cost of living, which always leaves pensioners behind and gives them no share in rising living standards, but according to wage index or the gross national product. However, even though this recommendation came from the National Council on Welfare, we got nowhere with it.

I cite another example. Some time ago we won an amendment to the Pension Act, the legislation under which war disability pensions are paid. It was a victory which took 40 or 50 years to win. What we achieved was a requirement that war disability pensions would be related to the wage levels of five groups in the public service. The recommendation was made that the 100 per cent disability pension be the average income of five such groups. This was put into legislation because a very high level committee had worked on the matter—a tri-partite committee consisting of representatives of the Department of Veterans Affairs, the Canadian Pension Commission, and the veterans organizations of Canada. Please note that two of these three elements were under the government—the Department of Veterans Affairs and the Canadian Pension Commission.

● (2040)

When that committee recommended the rate of a 100 per cent disability pension be related to the wage levels of the public service, it recommended as strongly as it could that any future indexing of that basic pension should be geared to the wage increases of those same five groups. Despite the fact that it had the support of the Standing Committee on Veterans Affairs, the government refused to do it.

There is the picture, Mr. Speaker. That is why I find this proposal so offensive, why I find it so indecent. We cannot get the pensions of senior citizens geared to the industrial composite index, and we cannot get the disability pensions of our war veterans geared to the industrial composite index—they must settle for the consumer price index which, over the long run, is behind the other. They must settle for the lesser formula, but when it comes to our pay and allowances we demand the best formula there is, the industrial composite.

As I say, Mr. Speaker, I think this is offensive and indecent and I hope, if there is to be in this bill any provision for escalation, we will not ask for ourselves something that we have been unwilling to give to the public generally, and in particular that the government has been unwilling to give to the veterans of this country.

This afternoon the hon. member for Windsor-Walkerville made some remarks about productivity. He thought we should get not only the increase equal to the cost of living but we should get some increase for productivity. Mr. Speaker, I do not know how you would measure the productivity of this place. I was interested when the hon. member for Témiscamingue (Mr. Caouette) talked this afternoon about the high salaries that certain athletes get because they amuse a few thousand people. One of my friends to the right said, "But in this place we amuse 20 million people." Mr. Speaker, the point I am trying to make is that productivity is something that one has the right to look at and claim some benefit for, but it really depends on where you start.

We had some trouble today about figures as between the hon. member for Windsor-Walkerville and the hon. member for Oshawa-Whitby. I have some figures too, Mr. Speaker. I find on the basis of 1961 being 100—and that is the formula being used today under CPI—that the CPI for 1953 was 89.4. I mention that year because it is one of the years in which the pay and allowances of members of parliament were increased. In 1953 we were brought up to $8,000 salary and $2,000 expense allowance. Today the CPI is crowding 180—it has gone up 100 per cent since 1953. Un that basis, Mr. Speaker, we should be getting $16,000 salary and $4,000 for expense allowance. We are already getting $18,000 plus $8,000, so I suggest that there has already been an allowance for productivity; yet the bill before us asks for $26,000 and $13,000, or a total of $39,000. Even the amendments that have been proposed, while they would provide for less at the beginning would, by the end of this parliament, provide just as much.

I suggest that all of these arguments about figures can be used in any direction, Mr. Speaker, but surely there is no case on any basis of statistics for the amounts that are being asked for in this bill.

Another point was brought out this afternoon where there seems to be some difference between the views of the hon. member for Windsor-Walkerville and the hon. member for Oshawa-Whitby. I think they were not speaking about the same thing, but let me get into that same area with a different document. I have in my hand a copy of the excellent address entitled "Income Distribution: A Question of Community Ethics", which was delivered in Toronto on Thursday, October 31, 1974, by the Minister of National Health and Welfare (Mr. Lalonde). In this speech he condemned our society for the inequality of income that exists, and called for a serious effort to overcome these inequalities. He gave some statistics, and pointed out that according to the latest figures he had there were five million families in Canada and that, of those five million families, 190,000, or 3.8 per cent, were receiving incomes of more than $25,000 a year. I contend, Mr. Speaker, that as members of Parliament we and our families are in that category. Some will argue that we are getting $18,000 a year salary and $8,000 a year expense allowance. That is $26,000 before you figure any tax. Mr. Speaker, we are in that 190,000.

If my friend across the way does not like the percentage that my leader gave the other day, even that figure of 190,000 is 3.8 per cent of the five million families in Canada. Raise that 3.8 per cent to 5 per cent, or even more if you want, in terms of what we are now receiving, and if you add to that the proposed increase in this bill, we certainly will be in the top 5 per cent so far as family income in this country is concerned.

I do not think we can give proper representation to the people of this country if everyone of us in this place has income greater than 95 per cent of the people we represent. I call upon members not just to talk about our needs, our costs and expenses, but to face the responsibility of leader-

ship. You do not give leadership by having people who are in the elite position of having more income than 95 per cent of the people we are supposed to represent.

One of the reasons why some of us have come to this place is precisely because of the gross inequalities of income in Canada. It is not the first time I have referred to the speech of the Minister of National Health and Welfare. It was a good speech, and the points he made about the need to ameliorate these inequalities are exceedingly well taken. Maybe it takes time. I do not like saying that, because I do not think it should take the decades it does to make changes. Surely until we have brought some of these others up, we who are already in the top 5 per cent of families in Canada should not, by this bill, be putting ourselves in a still smaller group, up into 3 per cent or 2 per cent category.

In my book an egalitarian society is a goal to aim at—and not just a goal for the year 2000 or 2100, but is a goal to aim at now. One of the troubles, and it is well pointed out in the speech of the Minister of National Health and Welfare, is that even though there have been increases for those at the bottom as well as those at the top, the differences still persist. I insist that a society that has inequalities of that sort will not survive as a strong, healthy society worth the effort that it takes to maintain.

I plead, Mr. Speaker, that we not waste our time talking about how much it costs us to maintain two homes or put children through school, or the cost of sending out Christmas cards. Let us not have anyone else raise the argument that we need an increase in pay so that we can send out Christmas cards. A person cannot get much smaller than that. I say let us not worry about our position as individuals, let us get our eye on the ball and think of the thing that is important, namely, that we in this place are here to give leadership to the country. We will not be giving leadership by taking steps to increase that inequality by putting ourselves in a still higher bracket so far as the incomes of the families of Canada are concerned.

● (2050)

We had this bill before the House before Christmas and the government wanted to get it through at that time, but it did not succeed. Now that it has been brought back again I suppose the government has a stake in the matter and it has to get it through to save its face. Surely debates in this place are not in vain, and surely if some of us, like the hon. member for Davenport, have points that we feel are valid, they should be listened to and considered. If some of us, even though we are only 16 down in this corner, feel that this matter is so serious it should be looked at more thoroughly, we should take the time to do so.

I referred to us in this corner as being 16. I am aware of the fact, and not ashamed at all of it, that two or three of my colleagues may not be with the rest of us in voting against the bill when the vote comes. I am aware that even those who may accept the bill are very much opposed to some features of it. Even if it is only a handful of us who feel as strongly as we do about the ethics and morality of this question, and as strongly as we do about our responsibility in providing leadership, we urge that some attention be paid to the remarks we are trying to make.

One of the other arguments that continues to be advanced around here is that we need higher pay in order to attract better people to this House of Commons.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I believe there was an interjection which I did not catch. I imagine it was delightful, but I will not worry about it. I have heard that argument certainly during every one of the five pay battles I have been through, and I do not see that the members of the House of Commons today are that much better than King, Ralston, Ilsley, Woodsworth, Bennett, Graydon, Coldwell and others who were here when the pay was $4,000 a year for members, with no expense allowances! I do not see that much of a difference, and I think we would actually be better members if we had a little more awareness of the economic problems facing the people of this country. We certainly will not have that awareness if we give ourselves the massive increase suggested in this bill.

I see you are about to get to the edge of your chair, Mr. Speaker, and I know what that means. I shall not force you to get up, but rather I shall sit down in less than a minute. I would plead with this House that it give more thought to this measure, and that it give the leadership the country wants at this time but which it is not getting from this place if parliament rushes through this bill.

To give the House a little more time to think the matter over, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That Bill C-44 be not now read the second time but that it be read the second time this day six months hence.

Some hon. Members: Oh, oh!

Mr. John Gilbert (Broadview): Mr. Speaker, I support Bill C-44.

Some hon. Members: Hear, hear!

Mr. Gilbert: I hope that the amended form is that version set forth by the parliamentary secretary and the President of the Privy Council (Mr. Sharp).

I think the people of Canada should be very proud of the NDP. On December 10 when this bill was introduced there were certain unfavourable feelings regarding its contents. Many felt that its terms were unconscionable. The NDP has made us look at the bill a second time, and this has given the public an opportunity to scrutinize it, analyze it, and comment on it.

Out of the clash of ideas comes a certain wisdom, and what has come forward in the spirit of compromise is a fair and reasonable increase, with an escalation clause that should effectively stop pay bills from coming into the House on a regular basis.

The NDP, as a socialist party, is not confined to a welfare party. Its members believe in individual dignity and justice, and that every person in Canada is entitled to a decent living, which includes the right of employment at a fair and reasonable salary or wage, the right to housing, the right to medicare, the right to education, and the right to a clean environment.

What are the parameters of a reasonable salary for a member of parliament? I thought the Beaupré committee set forth these parameters very well. I should like to read them to hon. members as I think we should all be familiar with them. This is a summary of what the Beaupré committee said in respect of six basic principles.

An hon. Member: What year?

Mr. Gilbert: This was in 1970, and it sets forth the basic guides or principles we should follow in respect of any pay increase. They are as follows:

(1) The future of Canada depends largely upon the ability of the public to secure the services of the best possible people as parliamentarians.

(2) Salaries should be high enough to attract persons of proven ability at a time when their earning potential may be at its highest.

(3) The position of the parliamentarian is essentially a full-time occupation; his working day in the House of Commons is usually much longer than the industrial average.

(4) The tenure of office of a member of the House of Commons is uncertain; 292 members have been defeated in the past 12 years.

(5) The nature of the position is becoming increasingly more time consuming, more complicated, more sensitive and requiring considerable moral courage.

(6) A member of parliament must meet many expenses that are not common to other salary earners and that are not deductible for income tax purposes as is the practice in many other countries.

I agree completely with those basic principles set forth by the Beaupré committee. We must have the best possible people as parliamentarians in this country, and they must be men of proven ability.

Mrs. Campagnolo: Men?

Mr. Gilbert: Men and women of proven ability. They have to consider this as a full-time job. There certainly is an uncertainty of tenure, and the job at times requires the moral courage to speak out in respect of certain problems. There is no doubt in my mind that there are certain extra expenditures involved in the job. After 10 years as a member of parliament in this House I have found this to be a very tough job, but a very exciting, satisfactory and worth-while job. I have found that it takes my full time, my full talent, my full dedication, and my full sacrifice. If I had known when I was first elected what I know now, I would have demanded a higher salary to cover my job, my work, my hours, and my family separation.

Some hon. Members: Hear, hear!

● (2100)

Mr. Gilbert: What worries me as a Canadian is the cookie jar mentality of so many groups in our society. I refer to the doctors, lawyers, dentists, teachers, businessmen, trade unionists and parliamentarians. These appear to be groups in our society which have their hands in the cookie jar trying to take out as much as possible. The result is that we do not have the type of economy of which we could be proud. This situation has created an inflationary condition which is hitting the fixed and low income groups. It reflects itself in unemployment, lack of housing, and an improper distribution of income.

Gone are the days when a man dedicated his talents and his time to serving his fellowmen. When I think of the school teachers, the social workers, the lawyers who have developed a cookie jar mentality in an attempt to protect themselves to the limit, I realize we are not heading in the right direction. I should like to see a redistribution of income which would be fair and reasonable in respect of all Canadians, and a deep sense of concern for our fellow Canadians.

Specifically in respect of the salary increase I feel it is fair and reasonable when compared with the incomes of business officers, professional people, and trade unionists. I asked in 1971 why it should be morally acceptable for people in business and the professions to obtain increases, yet be morally reprehensible for parliamentarians to demand the same treatment. I feel the same way today. I believe it is morally acceptable for parliamentarians to demand a fair and reasonable wage for the work they are doing. What I would demand myself, and what I would prefer, is a salary of about $30,000 adjusted to the cost of living. I would want my expenses to be on a voucher basis for rent, meals, reasonable entertainment of constituents, and donations to worthy causes. The voucher system in respect of expenses was recommended by the Beaupré commission. I think we have made a serious mistake in not accepting that recommendation.

I think that because of our present expense account system we find ourselves in very difficult situations. If we had a decent salary of about $30,000, as I mentioned earlier, I think we should be in the same position as salesmen and professional people who are held accountable for their expenses whether it be in respect of rent here in Ottawa, meals, entertainment, donations to worthy causes, or travel. I think this would eliminate a great deal of the criticism we receive.

I have set forth my ideas in respect of this bill. I said I would support it. I hope the bill will pass quickly so that we might direct our attention and our time to problems such as unemployment, inflation, housing, and a fair tax system, as well as a fair and reasonable distribution of income. If we were to do so I do not think the Canadian people would object for one moment to a generous salary being paid parliamentarians.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Madam Speaker, I know that at this point most hon. members would like to end the debate. However, I feel it quite in order for me to express my views on the present situation. We have long since noticed the results of the methods used to steer those negotiations, and that in various fields, with the generally recognized objective of improving the living conditions of those who are concerned in the negotiations. Everyone will admit that there are failures and even strikes.

By observing the situation seriously, it is easy to realize that most negotiators insist on obtaining increases in salaries from those who pay rather than exerting the required pressures on those who deprive them.

One readily recognizes amongst those, the people who control money and credit, who at will create upheavals in the whole economy of the country, forcing most of our political puppets to flounder about in both inflation and

recession. Just think of all they can invent in the topsy-turvy system we are afflicted with.

The adjustment of members' salaries would cause no problem if the people enjoyed a decent standard of living. It would be a matter of setting up in this new economic era a true cost of living adjustment mechanism called indexation. This adjustment mechanism should take into account variations, either downward or upward, and crisis and prosperity periods. That would be a way of keeping awake legislators who have a tendency to fall asleep when unemployment becomes the nightmare of too many Canadians and strikes proliferate, with the known consequences, due to a financial system continuously divorced from the economic realities of the day.

I have good reason to believe that the Canadian people in general would be prepared to pay good salaries to legislators who would devise an economic system allowing each and every one of them to live decently. However, they are reluctant to pay large salaries to administrators who maintain a system of taxes, debts, strikes, increasing crime rate and all the difficulties we know.

My colleague from Bellechasse (Mr. Lambert) made a practical suggestion to the House of Commons on November 25, 1974, during the budget debate, when he read excerpts from the bill put before American representatives on August 22, 1935. He also pointed out the importance of Bill C-201 introduced in the House by the hon. member for Témiscamingue (Mr. Caouette), which would have made it possible to improve appreciably the defective system with which we are plagued.

● (2110)

I have here an article from the January 29, 1969 edition of *Le Droit* entitled:

Reasonable guaranteed income a social right for all Canadians.

I quote, because it is short:

A program designed to ensure a reasonable guaranteed annual income, program which the Canadian Welfare Council regards as a social right for all Canadians, should be implemented "as soon as possible", the Council says in its statement.

Considering the economic difficulties encountered by the unemployed in receiving the benefits they are entitled to when they have no income because of the loss of their job and considering also the thousands of others who meagerly subsist on welfare, all of which are paralysed by a burdensome bureaucracy, which is too often more provocating than beneficent, it is well time that we establish a guaranteed income plan, not only for members of parliament, ministers, senators, judges and other officials of varied categories, but for each and every Canadian. This does not mean, as some simplistically suggest, that we must turn everything upside down or set up a printing press.

We have the institutions in place. It is a matter of adjusting values, a matter of accounting whereby the financial mechanism can reflect the real wealth taking into consideration the dignity of the human being, the value of things that can be produced in sufficient quantities to feed, lodge and clothe the population.

That is the solution—assuring each and every one of a guaranteed income. It is a social right of all Canadians. This natural right to live derived from birth must pass well ahead of regulations set by those handling money and credit.

Note that it is impossible to establish a just society on borrowed money, and it is in that whirl of concerns, of fear of tomorrow for most Canadians that we witnessed in the month of December 1974, a little before the Christmas and New Year recess, a debate on Bill C-44, an act to increase the salaries of members of the House of Commons and senators, and by some strange coincidence, those who most contributed to tying up the negotiations are those members who benefited at the right time from contributions from labour unions whose main role is to obtain salary increases for their membership.

Inevitably, in a climate of this kind, adding to that the strategic errors of the outset, the negotiations were bound to abort even if most participants seemed anxious to get the proposed increase.

Fortunately the strike could be avoided and replaced by a one month holiday at the same salary as before, a period of study and reflection on the validity of the claims.

During the same period, another group of politicians in Quebec were fighting as best as they could—and more often not so good at that—to get salary increases using arguments of all kinds and not always appropriate.

It is unfortunate to see that often uncontrolled pride, greed, political ambitions contribute to so many mistakes being made. In their determination to hold down to the end, they got a backpay retroactive to April 1, 1974, and a complete change of furniture at a total cost of $179,000 without taking too much in consideration a rarely practiced slogan—buy at home.

Some of our separatists will be able to muse sprawling comfortably in a lazy-boy made outside Quebec. Considering the good side of the deal, one could find for that team excellent cause for inspiration.

It would also be very interesting to see the various reactions of the participants if such debates took place during an election campaign. It would be really fascinating to hear a candidate promise his audience that, should he be elected, one of his main concerns would be to take every possible means to provide for himself a good salary increase. I often heard political organizers complain about the difficulty of getting their electors to attend meetings during an election campaign. I am surprised that nobody thought of putting on the "Trudeau Express" a pennant of an appropriate colour showing the desired salary: $45,000 per year. That would have aroused the people's curiosity and prompted many questions. Of course, a politician's behaviour is not the same before and after an election. According to the January 16, 1975 issue of *Le Droit*, Ontario ministers were considering a 5 per cent token reduction in salary, explaining in all seriousness that «the fight against inflation should begin somewhere». That is a fine example of the variety of reactions.

Let us return to the negotiations here in Ottawa. It should be pointed out that we did not have the benefit of a favourable publicity. The press itself has its quota of dreamers, ideologists and false-minded people. Those three ingredients, mixed in variable proportions, give a product which could hardly be called honest. One should

not however come to rash conclusions, because a good number of editorials and other interesting newspaper items are written by people with a sense of duty and responsibility. It is unfortunate that there are not more of them.

I have here an article published in the newspaper *Montréal Matin* of October 4, 1974, under the very topical heading "Big Salaries".

I feel I should quote from it:

We often hear complaints about high salaries paid to company executives, judges and public figures. People are amazed at salaries paid company presidents, premiers, members of Parliament, but they accept quite naturally that huge amounts are paid to sports figures or performers.

Also union leaders are paid on a different scale than union members. We find that in some unions, the president earns $75,000 a year, the secretary-treasurer $55,000, and directors $35,000. I am thinking of the Steel Workers of America.

It is often seen that a good number of people are not always consistent in their ideas. They criticize salary increases for members of parliament, but they accept that millions of dollars go to the world of sports, such as hockey, boxing and wrestling. In some instances, people pay from $10 to $100 for a reserved seat.

A well-written article in the *Vancouver Sun* of January 18, 1975 summarized the situation with valid comparisons between salaries paid newspapermen, plumbers, teachers, including pay increases given members of the British Columbia legislature under an NDP administration. Our hon. friends from the New Democratic Party could no doubt take heed. The author concludes as follows, and I quote:

I have never read in an editorial "We newspapermen received a salary increase. What we got for ourselves we want for the others, and we urge the government to recommend to Parliament similar increases for our elected representatives".

Looking at doctors' and lawyers' incomes, we find variations pointing to strong tendencies to higher incomes. In our present society, too many people seem to be striving for the highest possible return for a minimum of effort, with the result that contestation creeps in.

I had the advantage to read in *Le Droit* of August 20, 1974 an interesting article concerning members' salaries by Mr. Normand Messier. After pointing out that many men of merit refuse to accept all the annoyances which more often than not members of parliament are facing daily for $26,000 a year, when they can get much more in another area, safe from any popular criticism, he continues and I quote these two paragraphs of his article as they contain very practical suggestions:

Members of Parliament should not vote themselves a salary increase just for the sake of it. They should be consistent with themselves and adopt inflexible guidelines concerning for instance conflicts of interest, abuse of power and any other tampering. Of course, not everyone does such things, but everyone can be occasionally tempted by «l'herbe tendre", as La Fontaine put it in his fable.

The best would be that members of parliament get salaries high enough so that they would be absolutely forbidden to have any other paid activities during their office. Offenders should be should be automatically dismissed.

I found these suggestions very practical. I already voted twice here in this House in 1963 and 1971 against salary increases for ministers, members, senators and judges. I recognize that there were few of us against it, but I was not the only one. You just have to check the official report of July 29, 1963, the result of the vote was 200 yeas and 10 nays.

In 1971 we got the report of the Beaupré Commission that seemed to be based on six basic principles: the representation, the qualification and the aleatory nature of the office due to the risk of lost elections. I noted particularly the fifth point as it pointed out that the office of a member of parliament was becoming more and more an all absorbing, difficult and ticklish occupation and it is true in some cases. It was also mentioned that it required tremendous moral strength and it is also true. Obviously, a member conscious of his responsibility is likely to exhaust his moral strength in trying to make Canadians accept the inflationary system we now have. The Canadian people are noting the various reactions of their representatives and we should not be surprised if some who used to be moderates begin to protest after losing patience.

At the present time, I realize that we have been through the conciliation stage, we are now discussing the reduction of the raise in terms of percentages. I hope that the best decision will be taken. Some Canadians already know that several hundred dollars will be distributed as gifts to athletic or philantropic organizations and some pitiful poverty cases. The surplus could always be used to advantage.

For example, I have in hand an article published in a Montreal paper some ten years ago. It deals with an important issue, since it shows how salary increases for policians are justified. It is quite pertinent. At that time, the author of that article was a reporter who wrote freely. A few will undoubtedly recognize him. I acknowledge his ability since he was a gifted writer. It is especially appropriate under the circumstances to quote a few excerpts of his article entitled: The cost of political life.

After having referred to the causes of ageing, according to the general belief, such as obesity, baldness, rhumatism, the condition of arteries, he concludes that a quadragenarian becomes conscious of his age when he reflects on the cost of living and I quote the following excerpt of his article:

● (2120)

Today, boys, it is fantastic how everything is going up.

Just imagine, this was written 10 years ago!

In some departments, it is quite understandable. The price increase is often justified by a better quality or by some degree of improvement in the item provided. Today's provincial minister, for instance, shows a real improvement over the comparable item in use around 1936. A Carrier Fortin clearly out-classes a William Tremblay.

Further on the author, after rferring to the changes that have taken place since then, mentioned:

In days of old, when a buyer was handing out a large sum of money (which would seem ludicrously low today) to purchase a Taschereau or a Duplessis, he was almost exclusively concerned with getting two qualities: colour and ability to withstand wear and tear. The colour was blue or red, according to individual taste, but the product had to last at least fifteen or twenty years. You see how things are changing. In recent years, we have not been so keen anymore about colour or even stalwartness. Provided the article is in good shape it does not matter whether you have to change it within two or five years;

Here, the author deals with something up-to-date honourable senators! And here is what he writes:

"However, there is a point on which I completely disagree, and it is when people insist on maintaining on the market products which are completely outmoded, which I suspect have never been useful, which, in any case, is not in the least justified, and which still benefits from the general increase; for example, the senator has just experienced a raise, is it not extraordinary? How possibly can such a measure be justified? Do they want us to believe that in 1963 the "do nothing" is worth more than the uselessness of 1935 and that idleness must cost more for the only reason that political life in general is on the increase? It is hard to believe.

"All the more that the purchase of senators is forced upon us. If we were still free to acquire them, if they were put on sale as remnants, as discount items, the senator might become fashionable as any old piece of Canadian furniture. The increasing price could then be justified. The decorative or antique aspect of things is well paid for.

It is a well known fact that nobody would consider spending a whole evening in an old chair of the French régime. It is too uncomfortable. But it is kept as an object of art, or for a sentimental reason. Likewise, the presence of the senator in politics has become out-of-date.

This is an article from a minister now sitting in the House of Commons. I thought he was staying longer in his seat because at that time he could write freely. Mr. Gérard Pelletier has signed the article I just quoted.

This is why I consider that circumstances lent themselves well to quote this article written many years ago but which fit in nicely tonight.

Madam Speaker, I am pleased to have had the opportunity to say what I thought of the situation.

Mr. Jacques Olivier (Longueuil): Madam Speaker, I had really no intention of participating in the debate on second reading of Bill C-44. However, after listening carefully to what the hon. member for Winnipeg North Centre (Mr. Knowles) had to say, I feel I must. Tomorrow, we shall read what he said. He tried to cast the blame on hon. members of this House who are in favour of an increase in their salaries by odiously pitting them against the poor.

Madam Speaker, I feel that the hon. member for Winnipeg North Centre was hypocritical and unfair to other hon. members in his approach. The increase in salaries we are fighting for now, that we are claiming now, he will take it like every other member. He has just confessed to having already accepted five increases in salary since becoming a member of this House. Is that not hypocrisy? I wonder.

Madam Speaker, it is easy to play politics by hacking at the members of the House of Commons. It is much more difficult to speak in favour of the pay increase. It is easy to go back to one's riding and say: "I was against the salary increase". It is easy to say so, but members will go and cash their cheques notwithstanding. If instead of putting forward a motion to defer that increase by six months, the member had moved that those who do not want it should not be compelled to take it, I would have respected him. But he did not—

The hon. member for Winnipeg North Centre (Mr. Knowles), Madam Speaker, has not told us what his revenues are. He has not made us aware of his apprehensions when the increase in Old Age Security Pensions was forthcoming. He does not talk about such things of course. I believe somebody who has been a member of the House of Commons for 30 years is not honest in trying to depict other members of parliament, whether they are progressive conservatives, creditists or liberal members as twits.

Madam Speaker, I believe we are here to uphold the interests of 22 million Canadians. We are not here to indulge in partisanship. That member wants to show that we are trying to get richer at the expense of poor people. That is untrue, Madam Speaker. Let that member no longer be considered as a lamb. He will be the first to pocket the money.

Once that increase has been passed, I ask journalists to follow him and see if he will refuse it. He will not. He will be the first one to cash the check at his bank. Let us not worry about that. I think an end should be put to that hypocrisy. If we want to deal in politics, let us do so, but not at the expense of poor people, people who live on a pension, people who have to eke out a living. He does not know what poverty is.

If that man has ever represented unions, he did not represent them well, Madam Speaker, for when he says that at the outset the allowance was known, I can tell him that when I represented union members, whenever they were hired by a company, they accepted the salary which was paid to them, but six months later, if they were union members, they came to see us in order that we have an increase negotiated. If he did not do so, he was dishonest with the unions and the union members. He was dishonest with the workers if he did that, Madam Speaker.

I believe there are limits to picking on people, trying to influence the people's minds to please the press. Those people are playing politics at the expense of ordinary Canadians when they criticize salary increases. If he wants to be respected, let him introduce a motion to the effect that the increase will be paid on request only. If he turns it down, he will deserve respect. This is what I have to say.

In conclusion, in order that the problem be solved once and for all, I move, under Standing Order 6(5) (a) and (b), that the debate on second reading be concluded this evening beyond the ordinary hour of daily adjournment.

• (2130)

The Acting Speaker (Mrs. Morin): The Chair wishes to advise the hon. member that any motion must be in writing. If therefore the hon. member will put his motion in writing, the Chair will consider it.

I recognize the hon. member for New Westminster (Mr. Leggatt).

Mr. Olivier: I am sorry, Madam Speaker, I had put the question to the previous person in the Chair whether the motion had to be in writing. The answer, I do not question it, was no, since Standing Orders are involved. But I will comply with your requirements and put it in writing in a few moments.

[*English*]

Mr. Stuart Leggatt (New Westminster): Madam Speaker, I will try to be brief. The hon. member for Broadview (Mr. Gilbert) has already said most of the things I have to say.

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

[*Translation*]

Order, please. I would remind the hon. member for Longueuil (Mr. Olivier) that, pursuant to Standing Order 45, all motions shall be in writing.

[*English*]

Mr. Leggatt: Madam Speaker, my position on significant pay increases for members of parliament, a position which I have put forward on previous occasions, in the present parliament, both inside and outside this House, is that a significant increase in the salary and allowance paid to members of parliament is long overdue and well justified. In saying that, however, I disagree most vigorously with the hon. member for Longueuil (Mr. Olivier) who challenged the honesty of a certain member of this chamber. Let me say that no member of this chamber is more honest and sincere than the hon. member for Winnipeg North Centre (Mr. Knowles).

Some hon. Members: Hear, hear!

Mr. Leggatt: His views, which do not correspond to mine on this issue, are sincerely and honestly held, and the suggestion, in any way, shape or form, that his position is hypocritical, is most improper. His position is not hypocritical. I happen to disagree with him, but on good socialist grounds. Nevertheless, his opinions are honestly held.

Paying the members of this chamber properly and adequately is the government's responsibility. It has failed to discharge it. It is not good enough to say that we can resolve this question with ad hoc consultations carried on behind curtains, and then make this decision. The responsibility lies with the treasury benches of this House, and that responsibility has never been properly shouldered in terms of providing proper and adequate pay for the members of this House.

There is always a wrong time to bring this question forward; God knows, the government could not have picked a worse time than Christmas for bringing forward the initial bill. Its actions almost defy belief. Nevertheless, this debate has been useful and my party's position has been useful, because it has allowed us to explore the subject and debate the issue in this House. I think that is good. I repeat the position I have made known inside and outside the House. The significant pay increase is well merited and long overdue. I understand that my party will propose amendments in committee which will suggest appropriate levels of remuneration, considering our present inflation.

I object to being told that the salary of a member of this House is $18,000, plus $8,000, or a total of $26,000. That is nonsense. I receive a salary of $18,000, period.

Some hon. Members: Hear, hear!

Mr. Leggatt: Let us be perfectly clear. If a member does not spend his tax-free allowance for purposes for which it is intended, he should refund it to the treasury. If we had heeded the Beaupré commission's recommendations on providing vouchers for our expenses and on how our salaries should be determined, we should not now need to go through the present unnecessary and abrasive debate.

[The Acting Speaker (Mrs. Morin).]

You know, one cannot include a member's tax-free allowance as part of one's income. A member is not like a commission salesman, who can add his tax-free allowance to his other pay and classify it all as income. We make $18,000 per year, and raising our pay to $24,000 is long overdue. There is nothing improper in paying a member of parliament of this country $24,000 a year. Such a salary is appropriate, even in socialist terms. The socialist democratic parties of Europe were the first to provide substantial pay increases for members of parliament, so that being a member would no longer be a silver spoon job. It would no longer be a job for those with an independent income who could come to parliament when it suited them, and at other times play the part of the squire of the village. Such people held their seat in parliament with little effort. That sort of system is not democratic, and is not consistent with socialism.

We want a system in which all kinds of men can become members of parliament. It is the member's job to provide leadership, and his salary should be commensurate with his responsibilities. Unless we pay members adequately, we shall not evolve an egalitarian system. It has been said that members should not be the highest paid people in this country. I agree. Surely the figures which have been quoted show that the proposed increase for members is reasonable. We are not trying to make great jumps in the amount of salary we receive. And we do not support the philosophy of silver spoon members of parliament. For that reason we want members of parliament to be paid properly and adequately.

There is no point in comparing members' incomes with the incomes of members of professions, or of members of trade unions. The fact is that everybody else's grass always looks greener. It is natural for members of the public to think that members' salaries are being increased to high levels. It is natural for people to say, "That sounds like a lot of money." But consider the member's responsibilities and the time he spends on the job. If we convert to an hourly rate, at $24,000 we are probably being underpaid. However, by accepting $24,000, I think we do display leadership to the community in terms of the inflationary problems that we now face.

● (2140)

Some hon. Members: Hear, hear!

Mr. Leggatt: I think the position taken by the NDP has been useful. It has kept a full debate going in terms of this most important issue. We have seen changes up to this point from the original proposal of 50 per cent, the same 50 per cent that was recommended in 1971.

People sometimes forget that in 1971 this parliament voted for a 50 per cent increase, raising the previous allowance by 50 per cent. The proposal that again came forward at 50 per cent had a pretty good precedent. That is exactly what was voted for and passed by parliament in 1971. Nevertheless it is important that we have a full debate now.

I am hopeful that in committee there will be useful amendments. Frankly, I cannot quite understand why we should tie the allowance, if we are going to get it, to the industrial composite. Surely it should be a cost of living

relationship and not an industrial wage relationship. However, those are details.

The fact is that the principle behind the bill, even without the suggested amendments, is for a substantial increase in the allowances for members of parliament not out of line with the industrial composite or the cost of living. Therefore the principle of the bill respecting a significant increase for members of parliament is proper. It is on the principle of the bill that we vote on second reading. I must say that, on principle, I intend to support this bill on second reading.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jacques Olivier (Longueuil): Madam Speaker, may I ask whether you have received the written version of my motion?

[*English*]

The Acting Speaker (Mrs. Morin): The hon. member for Longueuil (Mr. Olivier) has put a motion under Standing Order 6(5)(a). All those opposed to the motion will please rise.

An hon. Member: What is the motion?

The Acting Speaker (Mrs. Morin): It is in French.

[*Translation*]

Mr. Jacques Olivier (Longueuil) moved, pursuant to the provisions of Standing Order 6(5)(a):

That the House continue sitting beyond the ordinary hour of daily adjournment in order to complete the second reading stage of Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act.

[*English*]

The Acting Speaker (Mrs. Morin): All those opposed to the motion will please rise.

And more than ten members having risen:

The Acting Speaker (Mrs. Morin): I declare the motion withdrawn.

Motion (Mr. Olivier) withdrawn.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, I make no apology for rising at this late hour because I do not think this legislation should be hurried through with indecent haste. As a matter of fact I am surprised that a matter of such widespread importance should heve been dealt with in such a hurried manner today. The government has put up only one speaker in support of the measure, the Social Credit party two, and the Conservative party none at all.

The desire seems to be to hurry this legislation through as quickly as possible. If this were a bill to increase the salaries of postal workers by 50 per cent, there would be no end of speakers hurrying to get on the list to take part in the debate. Here we are trying to hurry through in one day a bill which, if not changed, will increase the salaries and expense allowances of members of parliament by some 50 per cent.

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I suggest to those members who are anxious to express their views by frequent interruptions that the best way to do that would be to get into the debate. I agree with the hon. member for Broadview (Mr. Gilbert) who said a while ago that this is a matter which ought to be debated. It affects every member of parliament and all of our constituents who have to pay the shot. There ought to be a widespread discussion.

We are not going to agree. We do not agree in every party. There will be differences of opinion within every party. However, we ought to be able to discuss this in a mature and grown-up manner without hurling back and forth the rather childish accusations such as were made by the hon. member for Longueuil (Mr. Olivier) just a few minutes ago.

Every one of us who has sat in this parliament or any other elected body has had to go through this periodic ritual dance of deciding what we are going to do about our own salaries. This is a very embarrassing position to be in, and I think all of us feel that it is a very sensitive question.

The hon. member for Windsor-Walkerville (Mr. MacGuigan) quite correctly said this afternoon that this matter has to be dealt with by members of parliament because there is no one else who has the power to deal with it. However, I suggest we must find some better way to deal with this matter of how much we are going to be paid out of the public treasury.

I have watched this same situation arise periodically. You can almost write the senario. Those who are in favour of increasing members' salaries point out the large amount of work they have to do, the long hours they put in, and the interference with their family life, all of which is quite true. They point out that many professional people earn much higher salaries than do members of parliament.

● (2150)

On the other hand, those who question the advisability of raising the indemnities of elected members call attention to the fact that there are many groups in our society which are not as favourably placed as those of us who sit in the House of Commons. And there is always a tendency for this debate to end up in recriminations—those who support the measure to increase the indemnities are accused of having a hand in the cookie jar, of thinking only of themselves, and those who question the advisability of raising members' salaries are told they are being self-righteous, that they are really going to take the money but just want to make political hay by opposing a measure which may be politically unpopular. I think that is descending to a pretty low scale of debate.

I am prepared to recognize that members of parliament are sincere in the positions they take. I think there is a great deal of logic on both sides. One of the things we ought to have done long ago was to find some better way of deciding what should be the remuneration of elected members. Every time this debate comes up we say we shall find some better way next time. Of course we never do, and periodically another bill comes in raising members' salaries and we go through the same ritual dance again. We now have an opportunity to settle this question. I was

hoping the government would address itself to the matter. After all, in all probability it will be three and a half years before another parliament takes over and this is a suitable time at which to set up alternative machinery.

A number of provinces have set up committees headed by their Chief Justices and these committees have brought back recommendations to the legislatures concerned, recommendations which have been adopted. We made a start in this House when the government appointed the Beaupré commission. That commission made some useful recommendations. The government disregarded some of the best of them, though, and so we are back to the old system with members finding themselves in the embarrassing and humiliating position of having to decide how much they are worth—having to set their own salaries and expense allowances.

I submit we ought now to address ourselves to the question of finding a better way. This is why I believe the NDP served a useful purpose in December by asking that this matter be held over, and why I believe we are serving a useful purpose now in not allowing this legislation to be hurried through today. I do not believe the government has addressed itself to the primary problem, namely, what type of mechanism can be established so that in the future we shall not have this task of deciding what remuneration members should get.

The proposals in this bill are far in excess of what we have a right to vote ourselves at this time.

An hon. Member: You are not worth any more.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The hon. member across the way says I am not worth any more. I would say this to him: he could not live on what he is worth if that is all they paid him!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): When we ran for office on July 8 last, every candidate who offered herself or himself for election knew exactly what the remuneration was, and none of us was forced to run. All of us were anxious to enter this chamber as members of parliament. We undertook to do this job, and we knew what we were to be paid for doing it. It is surely unbecoming that one of the first things we do when we get to the House is to boost our own salaries.

It is true that what we did not know on July 8, 1974, was what the cost of living was going to be during the thirtieth parliament. I think members would be perfectly justified in attaching a cost of living index to the indemnity which is paid to them. But I do not think it has to be attached to the expense allowances. As has been pointed out, our expenses have in some respects gone down because the government has assumed responsibility for many of the expenditures which formerly had to be met out of our own pockets. Our constituency offices, telephone privileges, extended travel benefits, have all helped to ease the burden of meeting the expenses of being a member of parliament. Nevertheless, I think members are justified in saying that with the cost of living rising year after year, as a result of the government's failure to cope with inflation, we are entitled to some increase each year to compensate for the rise in the cost of living.

The measure before us goes much farther. As it stands now, it proposes to raise the indemnity to some $27,000 a year, and to raise the expense allowance to some $12,000, making a total of $39,000. The statement made by the President of the Privy Council (Mr. Sharp) before Christmas indicated that the government would in all probability, when the bill was in committee, recommend changes which would cut the increased salary to $24,000 with $10,600 for expenses. Attached to this would be an escalator clause which would carry on from there.

I submit it is going to be very difficult, not only for the government but for members of parliament to go up and down this country asking people to restrain their demands for increased salaries to keep pace with the rising cost of living when we ourselves have given ourselves an increase of 33-1/3 per cent and tied that income to the industrial composite index. It will be extremely difficult for the government to explain to old age pensioners, veterans allowance recipients, retired civil servants, and those who have retired from the armed forces or the RCMP how we can afford to be so generous with ourselves and why we are so niggardly with those for whom we are responsible.

I call it ten o'clock, Madam Speaker.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—OIL—REQUEST FOR INVESTIGATION OF POSSIBLE FRAUDULENT INCREASE IN IMPORT PRICES

Hon. Herb Gray (Windsor West): Madam Speaker, on Wednesday, March 19, I asked the following question:

Because of recent reports that authorities in the United States are investigating what may have been widespread actions by certain companies there to improperly and fraudulently increase the prices at which they imported oil into that country, will the minister cause investigations to be carried out here, to see whether there may have been similar improper schemes carried out in connection with the importation of oil into Canada?

In his reply the Minister of Energy, Mines and Resources (Mr. Macdonald) made reference to an examination of the books of the importing companies by departmental auditors, outside auditing firms and the Auditor General. In view of what press reports suggest was the scope of alleged improper pricing schemes for importing oil into the United States which are being investigated in that country, I thought the Canadian public would want to have more complete information than this from the government about what it has done, and is doing, to ensure that similar schemes have not been in existence here.

The federal government established a policy that there would be a single national price, one lower than the world

price, for petroleum products everywhere in Canada. This included the eastern part of the country which is still dependent on imported oil. To do this the government has been paying hundreds of millions of dollars in public funds to the oil importing companies to compensate them, in effect, for the difference between the price they say they are paying to the oil importing countries and the lower national price they are allowed to charge here.

Madam Speaker, the oil industry all over the world is organized on a multinational basis. Those multinational companies that dominate the oil industry in the United States are the same ones that dominate the industry here, or at least they control the firms that dominate our oil industry.

In light of these two factors, whatever auditing program the government had been carrying out prior to the disclosure of the American investigations, once their existence had become public one would have thought that the government would have wanted to contact the American authorities to see if any information they had obtained so far might be of significance in Canada. One would have thought the government would have taken a close look at its own auditing program to make certain it was adequate in light of the American investigations. Has the government done this? Has it been in touch with the American authorities to see if any information they have obtained might be relevant to the Canadian situation? The press reports of the American investigation indicate hundreds of customs inspectors are checking over customs invoices in dozens of American ports. How many personnel in comparison have been carrying out a Canadian program? I understand the numbers involved here are relatively few.

How complete, how thorough, how frequent has this Canadian government audit been? Have government auditors looked only at a small sample of the customs invoices of importing companies and their other books and records, or has it been a very complete and thorough investigation similar to that now apparently being carried out in the United States?

The press recently reported that because of a loophole in the legislation authorizing our oil compensation program, companies importing oil from the Middle East are entitled to compensation which is not only higher than that paid for imports from Venezuela but is even higher than the difference in price between Venezuelan and Middle Eastern oil. In other words, even though Middle Eastern oil costs only 35 cents per barrel more to import to Montreal than Venezuelan oil, the government pays importers of Middle Eastern crude $1.35 per barrel more than importers of Venezuelan crude.

According to a report in the *Globe and Mail*, during the past year the proportion of oil reported as being imported from Venezuela has dropped from 60 per cent to 40 per cent and the proportion reported as being imported from the Middle East has risen from 40 per cent to 60 per cent. Is all this oil supposedly imported from the Middle East actually from there? What assurance can the government give that there are no unscrupulous importers bringing in oil which is actually from Venezuela but who are claiming the higher $1.35 per barrel compensation on the basis that the oil is from the Middle East?

I raised my question during the question period and I am raising it again during this adjournment debate so the government will have the opportunity to give the Canadian people the full assurances I think they want, that their interests are being fully protected and that there are no unscrupulous elements in the oil industry, and in particular, in the oil importing community who are unjustly profiting at their expense in this matter through being in receipt of public funds to which they are not properly entitled.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): In replying to the question by the hon. member for Windsor West (Mr. Gray), Madam Speaker, I want to assure him that the government has a very extensive system of auditing the records of companies receiving funds under the compensation program which provides a one-price system for crude oil in this country. This system of auditing the books, records and invoices of the companies has been approved by the Auditor General.

Each Canadian claimant of compensation has to declare that his books are subject to examination and that he will repay any amount to which he is not entitled. The auditing program involves an examination of the documentation which includes customs B-3 and M-1 invoices, ships manifests, bills of lading and suppliers' invoices. There is also a check of voyage times, comparative quality of loading and discharged crude, the amounts requested and discharged. All of these examinations are performed first by the shareholders' auditors, by the Energy Supplies Allocation Board which now operates the compensation program, by the Audit Services Bureau, and by the Auditor General's office.

This procedure, as I mentioned earlier, was approved by the Auditor General in his 1974 report at pages 71 and 72. I believe we do have an effective system for auditing and checking the records of those receiving compensation under this program.

AIR TRANSPORT—CRASH OF DC3 AT RIMOUSKI—REPORT ALLEGING NON-COMPLIANCE WITH REGULATIONS

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, with regard to the MOT Report on an aircraft accident involving a DC3 at Rimouski, Quebec, on May 24, 1973, the MOT just recently released this document covering the fatal crash which took four lives. This report is a matter of grave concern and is certainly very damaging in so far as the Ministry of Transport is concerned. In its findings it is stated:

> The pilot-in-command did not follow the approved company procedures during the operation.
>
> The pilot-in-command descended below the authorized instrument approach minimum altitude at Rimouski.
>
> The supernumerary pilot (third pilot, occupying the copilot's seat), was not qualified on the aircraft type.
>
> The carrier did not comply with the Ministry of Transport standards in pilot training, dispatch, flight watch, and operational control as specified in Air Navigation Order VII, No. 2.

It goes on to state:

The Ministry of Transport had been aware of the carrier's non-compliance for some time but had not effectively enforced the provisions of ANO VII, No. 2.

I wonder how many other carriers in Canada are being allowed to operate in this manner? I hope the parliamentary secretary can inform the House what corrective measures the Ministry of Transport has taken since this report was released. The document goes on to state:

The carrier's main base is at Gaspé, Quebec, where it has facilities for dispatch and flight watch. These facilities include weather teletype, telex, telephone and a company radio communications system. The company has an operations manual which had recently been updated and met most of the requirements listed in ANO VII, No. 2. The company procedures in the manual are in French only, and not all company employees, including the pilot of the accident flight, were conversant with that language.

● (2210)

I am sure this aircraft did not come from the Douglas Aircraft Company with technical documents in the French language. The universal language for control towers and so on is the English language. The document states further that in areas of crew training, checking and flight dispatch, the carrier did not operate in accordance with MOT standards. It goes on to state:

Ministry of Transport air carrier base inspection reports, in June 1972 and October 1972, revealed similar operational deficiencies. Flight crew training was irregular and records were scattered, contradictory or non-existent.

In respect of the crew it states that the pilot had not received proper training and checking, before he was assigned as captain, in the following: ground training on the aircraft and on company procedures; flight training on the DC aircraft, and proficiency check. The report then states that the pilot had received his last medical on April 27, 1973, and had failed the colour plate test. It was shown that he was unfit for a commercial licence. I do not understand how this man was able to retain his licence. I hope the parliamentary secretary can explain that this evening. From my preliminary studies I find that MOT inspectors had no authority in the field and that Ottawa must make decisions. This causes long delays. Perhaps this is part of the trouble in respect of this accident.

I also raised the matter of the operation of the control tower and other difficulties before the Standing Committee on External Affairs and National Defence on March 18. At that time Deputy Chief of the Defence Staff, Lieutenant General W. K. Carr, informed me that there are many pilots in northern Quebec who are unilingual French. I find this somewhat amazing. If such a pilot had to make an emergency landing in the United States or in Ontario, where there are no bilingual control tower operators, I do not know what would happen to that plane or that pilot if trouble arose.

Recently Bill C-226 presented by the hon. member for Dartmouth-Halifax (Mr. Forrestall) passed second reading in the House and is to be referred to the committee. This bill should be brought up in the committee as soon as possible. The purpose of the bill is to establish a permanent and impartial commission of inquiry to investigate transport accidents within federal jurisdiction. It is suggested that many of these transport accidents which perhaps result in loss of life are investigated by the federal body. In other words MOT investigates itself, and this is not proper. In other words the accident is investigated by those responsible for making and enforcing the rules under which the transport operated when the accident occurred. There is an obvious conflict of interest in each case. Therefore it is important that this bill be discussed in the committee as soon as possible and that an independent commission be instituted. I believe it was mentioned in the Speech from the Throne at the opening of parliament that such a group would be formed.

[Mr. McKenzie.]

A different angle to this matter is brought up in the "Guidelines for Implementation of Air Canada's Corporate Policy on Bilingualism". We find the following statement in this document:

Except in operating and technical communication areas, such as air/ground communications, maintenance flight operations, interline reservations, and other areas where use of languages other than English is prohibited by regulatory authority, the languages of work within the company to be English and French.

So what they are saying here is that for pilots the main language should be English, and that in the control towers only English should be spoken. Here we have a situation where pilots speaking only one language, namely, French, are obtaining licences. There is a great area of conflict here and I hope the parliamentary secretary can give us some explanation of the situation and can tell us what corrective measures will be taken.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, I am sure the hon. member for Winnipeg South Centre (Mr. McKenzie) recognizes full well that the Department of Transport considers investigations of air accidents to be a very serious matter and it has a very competent group of experts working in that general area. I think that the report we are debating here now is a pretty good indication of that fact.

The report of the crash referred to by the hon. member did state that the ministry had not effectively enforced the regulations, and in essence this is an accurate statement. However, by the same token, it does not really indicate the extent to which the ministry had gone in attempting to have the operator comply with the regulations.

In the fall of 1972 our Quebec regional office became aware of irregularities in the operating procedures of Air Gaspé and, as a result, arranged a series of on-site inspections by inspectors from that office. Subsequently it was determined that there had been numerous changes of key operating personnel without notification to the ministry, which was in contravention of the company's operating certificates. As well as frequent inspections of Air Gaspé's operations by the ministry, there were numerous exchanges of correspondence in an attempt to improve what was considered to be a borderline operation.

Improvements were made and operations did improve. However, at the same time unfortunately there was also considerable back-sliding. An alternative to the action taken by the Quebec regional office would have been to suspend operations. Unfortunately, events overtook the efforts of the Quebec inspection staff in that respect, and Air Gaspé was involved in a fatal accident with their DC3 aircraft on May 24, 1974.

Following the accident, through stronger intervention in the affairs of Air Gaspé, as the hon. member is probably aware, the company was sold and taken over by Quebec Air. There were problems initially in the takeover and following it, but they were eventually resolved.

With respect to the technical documents on board this aircraft, the hon. member said they were all in French and the crew could only speak English. The actual fact is that flight operation documents were in English and the crew, of course, was also English speaking. The documents referred to are documents not related to flying.

In closing I should like to speak briefly on another comment made by the hon. member. I do not think he meant to leave the wrong impression, but he stated on March 17, and again today, that the report had just been released. It is my understanding from facts given to me by the staff of the MOT that the accident report was released at the end of July, 1974, which is some months ago.

AIRPORTS—REQUEST FOR DECISION TO CONSTRUCT

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, on the day I asked the Minister of Transport (Mr. Marchand) my question regarding the long delayed up-grading of the Charlottetown airport, the House had heard expressions of disapproval with regard to proceeding with the controversial Pickering airport. I then asked the minister if he would turn his attention to Prince Edward Island where a new airport is both required and desired. This is by no means the first time that I have raised with the present minister, and indeed with his predecessors, the urgency of the situation in Charlottetown, the cradle of confederation.

On April 28 Air Canada will inaugurate the service between Charlottetown and Ottawa and next to Toronto, and I trust that my fellow islander will be on that inaugural flight, just as I am looking forward to being on it.

For a good many years we have had Eastern Provincial Airways giving us a fast direct service to Montreal, and of course to cities in Atlantic Canada. EPA, of course, is very highly regarded in PEI for its leadership in this field.

● (2220)

The airlines are doing their part, and EPA especially deserves commendation for its leadership in bringing us into the jet age. But the facilities at the airport are not keeping abreast of advances made by the airlines and are not keeping pace with increases in the numbers of people travelling to Prince Edward Island. Indeed the number of tourists coming to Prince Edward Island is far in excess of the total population of the province, and in the summertime about ten to one. Needless to say, we welcome these tourists and congratulate them for their perception in choosing our province as a place for recreation and vacation.

But where I depart from this feeling of content and satisfaction, and where I feel grave concern, is in reference to the continuing inadequacy of the airport facilities, especially the passenger terminal building. We do not have sufficient seating space for passengers, and it is quite deplorable to have people forced to stand in cramped quarters at the arrival and departure of our crowded jet aircraft from various parts of the nation, and indeed from the United States. One does not have to be an engineer, an architect or an expert to know that any terminal which has fewer seats than any one of the aircraft servicing that terminal is obviously inadequate, and because tourism is a major interest and economic factor in Prince Edward Island it is of great importance to have people enter and depart from our province in reasonable comfort.

What is needed is a swift upgrading of the plans and priorities for the Charlottetown airport. I have learned that yet another temporary addition is to be erected for this summer. What we need is not another little leanto but a permanent structure of ample size, and with facilities and furnishings to keep abreast of our growing travel flow. We need more runway space and upgraded equipment in other ways so that the whole of the airport will be brought into the jet age.

The minister's colleague, the Minister of Regional Economic Expansion (Mr. Jamieson), is seeking to inaugurate and strengthen policies to aid the Atlantic region. Here is an opportunity to help the Atlantic provinces to help themselves. To buttress our island tourist industry and to provide our island people with decent transportation services is a proper leadership role for the Dominion government, and I invite the government, through the minister, to take on such a role. I look forward with the greatest pleasure to hearing the parliamentary secretary announce in glowing terms what we are going to get in the weeks and months ahead.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, the hon. member for Hillsborough (Mr. Macquarrie) is always a very eloquent spokesman on behalf of the needs of his province, and certainly tonight is no exception. I think the hon. member will be pleased to hear what I have to say although he may not be pleased with the rate at which some of these things will take place.

I think he will certainly admit that the Ministry of Transport officials and the federal government have been as interested as he is in providing the best possible airport facilities for all airports across the country, and certainly Charlottetown is one of those centres. As the hon. member points out, there have undoubtedly been very increased demands made on the airport space in Prince Edward Island with the growth and development of the tourist trade. The tourist season particularly creates real pressure on those facilities. For this very reason consultations with provincial authorities, air carriers and other users of the Charlottetown airport have been going on for several years with a view to improving as quickly as possible the air entrance into Prince Edward Island. I think a good and a very close relationship and exchange of information have gone on in that respect and have resulted in the decision to improve or replace the present facilities rather than relocate the airport at another site.

Our Atlantic regional officials at Moncton established a master planning project team which was charged with developing immediate and long-term-future requirements to meet aircraft movement and passenger traffic forecasts. The project team was to identify requirements for air

terminal facilities, cargo facilities, aprons, runways, taxiways, maintenance facilities, and so on.

The completed master plan was recently reviewed at the headquarters level and the technical recommendations arising from this plan have been generally agreed. It is expected that an announcement of a detailed development plan will be possible in the very near future. Until such a detailed announcement is made I can only state that our present intentions are for the resurfacing of the existing runway, the erection of a new terminal building at a new location on the present airport grounds, the replacement of the present temporary air traffic control tower, and the eventual construction of a cross-wind runway. Perhaps the improvement or replacement of other related facilities, the nature of which I do not know, will follow in time. In essence the hon. member will be pleased to know of the planned developments under way for Charlottetown airport.

The Acting Speaker (Mrs. Morin): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, April 9, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

LABOUR CONDITIONS

SUGGESTION MINISTER REPORT ON MEASURES TO DEAL WITH STRIKES AND WORK STOPPAGES—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, under the provisions of Standing Order 43 I request the unanimous consent of the House to move a motion on an urgent matter, namely the production lost to Canada due to strikes and work stoppages.

The Prime Minister himself stated at the first ministers conference this morning that Canada has the second worst record in the world for production days lost due to work stoppages and strikes.

I therefore move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That the Minister of Labour be instructed to report back to the House within a week what steps his department is taking to rectify this serious situation which is crippling the economy, especially at a time when the country is plagued with rising unemployment and low economic production.

Mr. Speaker: The motion is put forward under the terms of Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL SECURITY

PROPOSAL TO ESTABLISH PARLIAMENTARY SCRUTINY AND CONTROL OF EXPENDITURES ON SECURITY PROGRAMS—MOTION UNDER S.O. 43

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion which is self-explanatory. I would move, seconded by the hon. member for Wellington-Grey-Dufferin-Waterloo:

That this House direct the various House leaders to proceed immediately to establish procedures which will introduce an adequate form of parliamentary scrutiny and control of government expenditures on security programs conducted by Canada or to which Canada is a party in this country or abroad.

Mr. Baldwin: Hear, hear!

Mr. Speaker: The motion is presented under the terms of Standing Order 43; there must be unanimous consent before it can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MULTICULTURALISM

APPEAL FOR FUNDS BY PORTUGUESE ORGANIZATION USING UNEMPLOYMENT INSURANCE ENVELOPES—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I request leave to propose a motion under the terms of Standing Order 43 arising from the recent circulation of a four-page appeal for funds in the Portuguese language on behalf of a presumably reputable charitable organization in envelopes of the Unemployment Insurance Commission Canada and requesting a reply in similar envelopes furnished to the recipients. I therefore move, seconded by the hon. member for Parry Sound-Muskoka:

That the House request the Minister of Manpower and Immigration to make a statement outlining whether the government is prepared to extend such benevolent assistance to other ethnic groups and whether this indicates a new government venture in the field of multiculturalism.

Mr. Speaker: The motion is presented under Standing Order 43. Is there unanimous consent to its being put?

Some hon. Members: No.

ORAL QUESTION PERIOD

[*Translation*]

AGRICULTURE

EFFECT OF STRIKE OF LONGSHOREMEN ON FEED GRAIN SUPPLIES—GOVERNMENT ACTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Acting Prime Minister.

In view of the difficulties now being inflicted upon Quebec producers by the protracted strike, especially in the ports of Trois-Rivières and Quebec City, can the Acting Prime Minister tell us what measures the government intends to take to restore normal traffic in those ports so that the producers can get the feed they need for their cattle?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): This matter is under very active consideration by the government. There was a meeting this morning directed particularly to this very serious issue. At the present time, however, the government thinks it would be inadvisable to take immediate action though I can assure the hon. member that we understand the seriousness of the problem.

[*Translation*]

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

I should also like to ask the Acting Prime Minister if he intends to comply with the recommendation made by the producers to the effect that, costs having increased considerably, the government should grant a subsidy to compensate them for the increase in costs they will have to assume under the circumstances?

[*English*]

Mr. Sharp: I am not quite sure of the relationship between this supplementary and the original question. If it relates to the possibility that there may be extra costs arising out of interference with the movement of the commodity, that is one question, but if its scope is of a more general nature I should like to have it amplified so that I could give a more satisfactory answer.

[*Translation*]

Mr. La Salle: Mr. Speaker, I have another supplementary.

Because of the importance of the matter, can the minister assure the House that, at the latest tomorrow, he will be able to make a statement which, I trust, will bring a solution to Quebec producers' problem?

[*English*]

Mr. Sharp: I cannot give that undertaking, though I can give an assurance that the matter is under the most active consideration.

* * *

GRAIN

REQUEST FOR MEASURES TO IMPROVE SHIPPING CONDITIONS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the fact there is a desperate shortage of feed grain on Quebec farms and that approximately only one third of the crop year remains while some areas in Western Canada are still on a three-bushel quota, and the Minister of Agriculture failed to answer my question yesterday—

Some hon. Members: Question!

Mr. Towers: —concerning mismanagement of grain shipments to Bangla Desh, would the government instruct the Standing Committee on Agriculture to make recommendations to parliament to resolve the continuing disastrous dilemma relating to the movement of grain?

● (1410)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think that would be the most effective way of dealing with the problem.

Mr. Towers: A final supplementary question, Mr. Speaker. The government does not seem to realize the dilemma in which the farmers find themselves. In view of the fact that the western grain producers have lost $50 million this crop year owing to the inaction of this government, what proposal does the government intend to make if they are not going to accept the proposal that I have made?

Mr. Sharp: Mr. Speaker, when the government has something to announce in this regard it will do so. I do not think it would be appropriate or would help very much to follow the suggestion of the hon. member.

* * *

THE CANADIAN ECONOMY

SUGGESTED MEASURES TO AID JOB CREATION—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In view of the fact that the effects of a budget that is brought in some time during the month of May—which means it will probably be nearer to June than April—will take some time to work their way through the economy, particularly in terms of job creation, could the minister inform the House whether the government has any intention of taking action in the budget that is brought in with regard to any of the four programs that I will specifically name to the Acting Prime Minister, namely the summer student employment program, the winter capital projects fund, the federal-provincial employment loans program and the railway relocation program, all of which could be implemented before the budget in May? Does the government plan to take any kind of action in these areas?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I suggest that these questions should be directed to the respective ministers. I know that my hon. friend the Minister of Manpower and Immigration may want to deal with the first of these questions. The Minister of Transport is not here today, but perhaps the question could be taken as notice.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in response to the first part of the question, a decision has been taken to augment the student summer employment funding for this year to the extent of $13.4 million. The details of the allocation of this $13.4 million within the various programs will be very shortly announced to all members of the House and will include a substantial amount for the Opportunities for Youth program.

CONTINGENCY PLANS TO INCREASE HOUSING STARTS—DATE OF IMPLEMENTATION

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. In the absence of the Minister of State for Urban Affairs who is responsible for housing may I put this question to the Acting Prime Minister. Considering that just before Christmas the director of CMHC, Mr. Teron, said that there were certain contingency plans that the government would implement should housing starts fall below the anticipated rate of 200,000 a year, and in view of the fact that the current rate, according to figures released yesterday, stands at only 138,000 units, would the Acting Prime Minister inform the House whether the government intends to put forward these contingency plans that Mr. Teron referred to?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I should like to take notice of this question and give an adequate answer.

* * *

[*Translation*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR PUBLICATION OF NAMES OF MEMBERS OF ADVISORY COMMITTEE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Since the minister has decided that advisory committees in the various sectors of work have been instructed to give priority to projects submitted by youths within the Opportunity for Youth Program, and since it is impossible to get from the officials of the minister's office the names of those committee members, can I ask him whether he is prepared to authorize his employees to provide the list of the members of a committee for a given region, upon request from an MP?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Very definitely, Mr. Speaker; I see no reason at all. In fact, I think each member of the House should have a list of the members of management area advisory committees, which are appointed in the main by the members themselves. If there is any question about this I will issue instructions forthwith to make the information available.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

In view of the favourable attitude and the positive answer of the minister, can I ask him to give immediate instruction to the employees of his office so that they effectively respond along the lines of the answer he has just given?

[*English*]

Mr. Andras: I think that is exactly what I have just said, Mr. Speaker.

HOUSING

POSSIBILITY OF MAINTAINING GOVERNMENT OBJECTIVE FOR STARTS—SUGGESTED DEDUCTIBILITY OF MORTGAGE PAYMENTS AND PROPERTY TAXES FROM INCOME TAX

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I should like to refer again to the drastic decline in housing starts in the first quarter of 1975, down 54 per cent for the month of March alone. Will the Acting Prime Minister say if the government is still confident it can reach its minimum target of 210,000 starts, and will that objective be maintained in the preparation of the new budget?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, the House will have noticed that yesterday when the Minister of Finance announced he was bringing in a budget this was one of the problems to which he referred, and which seemed to make it necessary to take additional measures.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, now that the Minister of Finance has recognized the severity of the economic situation with his promise to bring in a budget, is the government actively considering a budgetary measure that would make a proportion of mortgage payments and property taxes deductible for income tax purposes?

Mr. Sharp: Mr. Speaker, as a former Minister of Finance I never did forecast what would be in a budget. I always looked upon such matters as confidential, but I will pass the suggestion along to the Minister of Finance.

* * *

EXTERNAL AFFAIRS

REQUEST THAT MINISTER ATTEND LAW OF THE SEA CONFERENCE AND STRENGTHEN NEGOTIATING TEAM

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, in view of the possibility that the 200-mile economic zone concept may not be translated into agreed treaty language at the Law of the Sea Conference, while conversely the conference cannot succeed on any basis other than a convention founded on a concept of the economic zone being managed by the coastal state, I should like to ask whether it is the intention of the Secretary of State for External Affairs to go to the conference along with the Minister of State for Fisheries and the Minister of the Environment, for the balance of the conference in order to strengthen the hardworking Canadian team presently negotiating there on our behalf?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I welcome the hon. member back from the Law of the Sea Conference. I propose to address that conference later on. In the meantime my colleague, the Minister of the Environment, will be present, as will the Minister of State for Fisheries at a later point, so the delegation will be supported ministerially in the way I have described.

Mr. Crouse: Mr. Speaker, I wish to thank the minister for his remarks in welcoming me back to the House from the conference. I would point out that at the conference the USSR—

Mr. Speaker: Order, please. If the hon. member has a supplementary question will he put it directly, please.

Mr. Crouse: Thank you, Mr. Speaker. In light of the strength of the negotiating teams of the USSR, the United States and other world powers at the conference, will the minister consider sending the Deputy Minister of External Affairs or a Deputy Minister of Fisheries or the Environment in order to equalize in strength the debating teams which other countries have placed in charge of their affairs at the conference?

Mr. MacEachen: Mr. Speaker, I would be happy to consider any worthwhile suggestion, but I am sure that my hon. friend would agree that the deputy head of our delegation, Ambassador Beasley, is one of the most competent personalities in the field of the law of the sea, and probably there is no other person at that level in the federal service of Canada with the same competence and experience. I have full confidence in his ability to represent Canada at the conference, but I will take into account the views of the hon. member in respect of any steps that can be taken to support his work.

* * *

AGRICULTURE

POTATOES—POSSIBILITY OF ALTERATIONS IN SUPPORT PAYMENT PROGRAM

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Minister of Agriculture, but in his absence perhaps I might address it to the acting minister who might take it as notice, if he so wishes. Is the minister in a position to state what alterations, if any, are being made to the program of support payments to potato growers in the Atlantic provinces? I am especially concerned, as are the growers, about the limitation of two carloads per grower. I am also concerned about the situation in respect of the growers, especially certified seed growers, who have sold all of their potatoes before April 1.

● (1420)

Hon. Daniel J. MacDonald (Acting Minister of Agriculture): Mr. Speaker, the Minister of Agriculture today is meeting with the ministers of agriculture from all across Canada. The topic is the stabilization of agricultural prices. This meeting includes all the ministers of agriculture, with the exception of the minister from Newfoundland, who could not get here because of a snow storm. I should say it may be of interest to the hon. member to know that the Minister of Agriculture for Prince Edward Island appointed a man by the name of Mr. Faulkner to be the co-ordinator with the federal Department of Agriculture. I shall take the member's other question as notice.

[Mr. MacEachen.]

NATIONAL DEFENCE

TRANSFER OF PERSONNEL FROM WINNIPEG BASE—LOCATION OF AIR COMMAND HEADQUARTERS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. Over the past few months up to 125 servicemen have been transferred from the Canadian Forces base at Winnipeg to other bases in Canada. Is it the intention of the minister to reduce the Winnipeg base to a token force?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker.

Mr. McKenzie: Mr. Speaker, it is four months since the minister announced the new air command would be located in western Canada. Will the minister be placing the air command in Winnipeg to partially make up for the transfer of these 125 men which has had an adverse effect on the economy of Manitoba?

Mr. Richardson: Mr. Speaker, I have already advised the House that I will be receiving a recommendation from the chief of the defence staff and when I have that I will make an announcement.

* * *

LABOUR CONDITIONS

POSSIBILITY OF FURTHER GRAIN HANDLERS' STRIKE—GOVERNMENT POSITION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question for the Minister of Labour. In view of the fact that it will be six months tomorrow since Bill C-12, the grain handlers strike bill, was passed by this House ordering grain handlers back to work, is the minister fully aware of the imminent possibility of a further grain handlers strike because neither the union nor management have signed an agreement pursuant to that order.

Hon. John C. Munro (Minister of Labour): No, I am not aware and I hope that can be avoided, Mr. Speaker.

REQUEST FOR EXPEDITING OF BAYDA COMMISSION REPORT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): I have a supplementary question, Mr. Speaker. Before the Easter recess the minister corrected an answer he gave while I was in the House but the correction was made after I left the House. He said that the Bayda commission report would not be received until possibly this summer. In view of the unfortunate circumstances which have developed on the west coast again, will the minister and the government now take steps to give all the necessary assistance to this commission to ensure that the report and recommendation will come forward much before next summer and in fact within the next few weeks.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think the hon. member will appreciate that it is a very complex question Mr. Justice Bayda is looking into. This is the time frame he has set. We are giving him all the back-up he requests and are prepared to continue to do

that. However, I will be in contact with him and indicate to him that if he can shorten the time frame with additional assistance from us we will be prepared to offer it.

Mr. Speaker: A final supplementary by the hon. member for Saskatoon-Biggar.

Mr. Hnatyshyn: Mr. Speaker, in view of the fact that Mr. Justice Bayda was quoted in the press when appointed as saying that he anticipated the study would take not more than six months, possibly only three months, will the government take all the steps possible to make sure that he has all the support necessary in order to get this report and recommendation in immediately.

Mr. Munro (Hamilton East): I think I have already indicated to the hon. member that we are giving all the support he requests and will continue to do that. We cannot do more than that. If he wants additional help he has merely to ask for it.

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IMMIGRATION

ASSISTANCE TO COLOMBIANS TO BECOME LANDED IMMIGRANTS—REQUEST FOR SIMILAR TREATMENT OF OTHER GROUPS

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of his fine decision the other day—

An hon. Member: No propaganda.

Mr. Caccia: —to have Colombian textile workers presently in Canada leave the country so that they may apply for permanent residence in Canada through our immigration office in Bogota where apparently their applications would be dealt with promptly and where assisted passage loans would be provided for their return, would the minister inform the House whether workers from other countries presently in Canada under circumstances which are similar to those of the Colombian workers will be granted an equal opportunity?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I guess my answer briefly is yes, with the emphasis on the provision that the circumstances of other such workers would be in fact similar to those of the Colombians because persons in Canada with employment visas who are here as visitors have to go outside the country to apply for landed immigrant status, as the hon. member knows. Their applications would be dealt with as promptly as possible, again if the circumstances are similar to those of the Colombians.

An hon. Member: If that is your short answer, what would be a long one?

NORTHERN AFFAIRS

INQUEST INTO CRASH OF PANARCTIC PLANE—ALLEGED INSTRUCTIONS BY COMPANY TO EMPLOYEES NOT TO TESTIFY—GOVERNMENT POSITION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. On Monday, April 7 I asked a question concerning the PanArctic plane crash at Rae Point, Northwest Territories, involving the loss of 32 lives, to which the minister answered that the company had at no time instructed its employees not to attend and testify at the inquest. A statement in this morning's *Globe and Mail*, attributed to the Minister of Transport, indicates that the company has in fact restricted its employees from appearing before the inquiry. In view of this, can the minister clarify the existing contradiction, and will his department support the Department of Transport should it decide to change the inquest into a public inquiry?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker I, too, noticed the article this morning, followed it up and made further inquiries. It is my understanding that my original statement was correct, that the management of PanArctic had not suggested or urged any employees not to appear. However, they did make available outside counsel to the employees. I gather that the employees have spoken to counsel, have taken their advice, whatever it may have been, and acted upon it. However, so far as the inquiry is concerned, that is the decision of my colleague, the Minister of Transport. Certainly, I would support any action he might wish to take.

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CANADIAN BROADCASTING CORPORATION

CORPORATION'S VIEW OF ITS OBLIGATION IN PRODUCING PROGRAMS

Mr. S. J. Korchinski (Mackenzie): I have a question for the Secretary of State who answers for the CBC. In replying to all those who have written to the CBC protesting against the offensiveness of some of their drama presentations, the CBC in their "hurt" letter state that they are obliged to produce programs for all ages, all tastes and all interests. Does this obligation include dispensing material that is of interest to pornographers, the foul mouthed and other hooligans in our society?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Moose Jaw.

An hon. Member: The answer was yes.

Oral Questions

INDUSTRY

SHIPBUILDING SUBSIDIES—SUGGESTED HOLDBACK OF GRANTS TO MARINE INDUSTRIES

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Acting Prime Minister. In light of the statement by the Minister of Justice on March 21, 1975 in the House, is the Acting Prime Minister prepared to announce to the House the government's position with respect to the holdback of grants authorized to Marine Industries Ltd. under the shipbuilding program?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, I am not prepared to make a statement at this time. The general problem remains the same, that we must get the dredging done. There is a very serious problem involved, since practically all the companies that do dredging in this country are under charge. I think the hon. member would agree with me that we should not hold up dredging for that reason. We must find a way of getting the necessary work done.

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FISHERIES

DATE OF ANNOUNCEMENT OF ASSISTANCE PROGRAM FOR EAST COAST FISHERMEN

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of State for Fisheries. In view of serious problems facing the east coast fishing industry, and in view of the fact that the government promised certain programs of assistance in the throne speech, would the minister tell the House when we can expect an announcement from him as to what long term and mid-term assistance would be available?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I assume the hon. member is referring to the income supplement program. I would tell him that we are still working on this. I believe we are now in a position to put firm proposals to my colleagues in the next couple of months. I would like to say, however, that the consultation meetings we have had with the ministers of fisheries of the Atlantic area, including one which took place yesterday, leads me to believe that there was wisdom in delaying until such time as we have an idea of the exact condition of the fishery in the years to come.

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● (1430)

NATIONAL DEFENCE

REQUEST FOR STATEMENT ON MEASURES TO MAINTAIN PRESENT LEVEL OF FORCE IN VIEW OF EROSION OF VALUE OF DOLLAR

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of National Defence. In light of responses to written questions dealing with the value of the dollar now being placed in the hands of his department for national defence purposes, and in light of the clear indication of the erosion of the value of the dollars which he has available to him and the clear indication that his department is slipping very substantially behind in terms of its purchasing power in relation to past years, I would ask if he can advise the House whether he has any plans, and if so, what his plans are, to upgrade this purchasing power in order to restore his department to a level comparable with past years, and more important, what plans he specifically has to maintain the force at its present level.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as the hon. member will agree, the purchasing power of all departments has been reduced by the erosion in the value of the dollar, but in the case of National Defence the best answer is that this year the budget is up by more than 11 per cent and next year, 1975-76, it will be up by approximately the same amount.

Mr. Forrestall: What the minister is indicating is, of course, a non-answer. I wonder if he would indicate to the House in some clear and precise terms whether the Department of National Defence is going behind at a rate of some 6 per cent to 8 per cent annually, and in light of that, where does he plan to take this cutback, from personnel or from capital programs?

Mr. Richardson: Mr. Speaker, the personnel force has been reduced to approximately 78,500, down from the 83,000 of a short time ago, and that has effected a saving which has enabled us to maintain the operational expenditures and also to maintain and to increase our expenditures for capital equipment.

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THE CANADIAN ECONOMY

ALLEGED REDUCTION IN CAPITAL SPENDING BY UNITED STATES AFFILIATES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Acting Prime Minister. Is he aware that Canadian affiliates of United States owned companies are making dramatic cutbacks in their capital spending programs for 1975 and that William Chung of the United States commerce department's international division has confirmed in a press interview that in constant dollars Canadian affiliate investment spending is on a decline, in sharp contrast to that stated in Statistics Canada?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, but I will check the accuracy of the report.

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MANPOWER

ALLEGED REDUCTION IN CAPITAL SPENDING BY UNITED STATES AFFILIATES BECAUSE OF HIGH LABOUR COSTS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a supplementary for the Minister of Manpower and Immigration. Would he indicate if he has had any indication from affiliates of American concerns in Canada that they may have to lessen their capital expenditures in the

current year in Canada due to high labour costs relative to world labour costs in this country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to the best of my knowledge, no, I have not had such specific representations.

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CRIMINAL CODE

DATE OF ANNOUNCEMENT OF AMENDMENTS CONCERNING RAPE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Justice. Will the amendments to the Criminal Code with regard to rape incorporate suggestions of the advisory council on the status of women about relevancy of evidence and protection for the complainant, and when can we expect these amendments which the minister promised some time last summer?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the proposed amendments in regard to rape, which I think are designed to accomplish a good number of things which the advisory council was asking for and was interested in will be in the Criminal Code amendments which I expect to present for first reading before the end of June.

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PUBLIC SERVICE

CONCILIATION BOARD REPORT ON LETTER CARRIERS—REQUEST FOR ACCEPTANCE BY GOVERNMENT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Acting Prime Minister in the absence of the President of the Treasury Board. Now that the conciliation board has brought down wage recommendations which appear to be a reasonable compromise in connection with the negotiations between the Letter Carriers' Union of Canada and the government, will the Acting Prime Minister give assurance that the government will indicate its approval of these terms with sufficient speed in order to avoid a crippling strike in this important area of communications?

Hon. C. M. Drury (Acting President of Treasury Board): Mr. Speaker, the findings of the conciliation board were far from unanimous. In fact, there were three separate recommendations, so we do not have, in a sense, the common acceptance of the board to report. The report has been forwarded to the union and to the Treasury Board, and there is an agreement between the union and the Treasury Board that no comment will be made during the next 48 hours.

POSTAL WORKERS—DATE OF GOVERNMENT REPLY TO UNION PROPOSALS

Hon. W. G. Dinsdale (Brandon-Souris): On the same subject and in connection with the negotiations under way between the Canadian Union of Postal Workers and the Treasury Board, could the Acting President of the Treasury Board indicate how soon the government will be making its reply to proposals which were put forward by the union some two weeks ago?

Hon. C. M. Drury (Acting President of Treasury Board): I cannot give a definitive answer to that, but I will inquire and inform the hon. member.

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NATIONAL SECURITY

BUGGING OF FOREIGN EMBASSIES IN CANADA—ESPIONAGE ACTIVITIES ABROAD—GOVERNMENT POSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Acting Prime Minister, and it arises from a recently published report that the Canadian government has bugged the embassies and consulates of foreign governments in Canada, and particularly that our government has bugged the embassy of a major western European country. I ask whether this country has in recent years bugged the embassy in Canada of a western European country.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is one of those questions which is very delicate. I would hesitate to give an answer at this time. I believe that my colleague has indicated that he would like to have some sort of procedure established whereby we could look at security matters, and I do not think it would be advisable to discuss them on the floor of the House of Commons in this way.

Mr. Beatty: Mr. Speaker, I was amazed by the refusal of the Acting Prime Minister to accept the motion of my colleague under Standing Order 43. Arising from the statement by the Prime Minister last January that, "We have never ... engaged in any espionage abroad in the sense that we have not been looking for information in an undercover way in any other country," and in light of the fact that a report in this week's "Time" magazine directly contradicts the Prime Minister's statement, I ask the Acting Prime Minister whether the Prime Minister's statement that we do not engage in espionage activities abroad still applies and whether it is accurate.

Mr. Sharp: Mr. Speaker, certainly in my experience I have heard of no spying activities by Canadians abroad. We do not have any foreign espionage organization of any kind, so I would say that the statement of the Prime Minister is accurate.

* * *

[*Translation*]

AGRICULTURE

EFFECT OF LONGSHOREMEN'S STRIKE ON FEED GRAIN SUPPLIES—GOVERNMENT ACTION TO SETTLE STRIKE

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, in the absence of the Minister of Agriculture, I shall direct my question to his parliamentary secretary (Mr. Corriveau).

About the strike in the ports of Quebec City, Montreal and Trois-Rivières, which seriously affects Quebec millers and producers in their supply of feed grains, could the parliamentary secretary tell the House if there are any new developments and whether, at this moment, Quebec millers and producers have any way of supplying themselves with feed grains?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I want to assure the House that the Minister of Agriculture and the government are constantly keeping abreast of what is going on in the ports.

We know it is very difficult for millers to get supplies from the Quebec City and Trois-Rivières ports. On the other hand, the port of Montreal is open to millers who can get their supplies of feed grains. Moreover, talks are now under way between millers and unions to have the ports of Trois-Rivières and Quebec City reopen in the next few days so that millers can get their supplies.

* * *

● (1440)

[*English*]

ADMINISTRATION OF JUSTICE

STUDY OF RELATIONSHIP BETWEEN VIOLENCE ON TELEVISION AND VIOLENCE IN CITIES IN UNITED STATES—POSSIBILITY OF CANADIAN STUDY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Solicitor General based on the findings of the United States Surgeon General which establishes a casual relationship between violence on television and the increase in violence in our cities. May I ask if such a study is under way in the Department of the Attorney General and if so will he release its findings to this House?

Hon. Warren Allmand (Solicitor General): Certain studies are being undertaken by my department, Mr. Speaker. I understand that some are being undertaken as well by the CRTC.

* * *

COMMUNICATIONS

POSSIBILITY OF PUBLIC HEARINGS ON VIOLENCE ON TELEVISION—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, a supplementary question for the Minister of Communications. Does the CRTC intend to hold public hearings on the subject of violence in television and if so, when will these hearings commence?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, it is my understanding that they intend to do so but I could not give the precise date of the proposed hearing to the hon. member. I will inquire about it.

[Mr. Lapointe.]

NATIONAL DEFENCE

REASON FOR EARLY RETURN OF DESTROYERS PARTICIPATING IN TRAINING EXERCISE IN WESTERN PACIFIC

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. Can the minister inform the House why the three Canadian destroyers of the Second Canadian Destroyer Squadron participating in training exercises with the navies of the United States and the Philippines in the western Pacific were withdrawn rather suddenly from the exercises and are now returning home?

An hon. Member: They ran out of gas!

Hon. James Richardson (Minister of National Defence): Mr. Speaker, these Canadian ships were on training exercises with the United States navy. The Americans wished to terminate the training exercises, and our ships are returning home.

Mr. McKinnon: A supplementary, Mr. Speaker. Are we to understand from the minister's reply that his department sent a squadron of destroyers 6,000 miles to participate in an exercise with no assurance that it would be carried out? Does he think this is the way to engender support for the increased budget he will so desperately need?

Mr. Richardson: Mr. Speaker, the training exercise was substantially completed by the Canadian ships.

* * *

CRIMINAL CODE

POSSIBILITY OF STUDY AND CHANGE IN PROVISION RESPECTING FIREARMS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question to the Minister of Justice is prompted by the report yesterday that the Metro Toronto Council is seeking substantial changes in the Criminal Code with regard to firearms. Can the minister advise if there are any specific studies under way in his department with respect to such changes and if so, could he advise when he expects a report or when the House may expect to see some changes in the Criminal Code with respect to firearms?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in one sense the question of firearms and their control is under constant study, and from time to time orders in council are adopted to classify new weapons or different weapons as either restricted or prohibited. This happens at regular intervals, as these weapons come to our attention or the attention of the police. There has also been a decision to make a fairly small change in the existing provisions with regard to prohibited and restricted weapons in order to give more flexibility in classifying them in one or other categories. The government does not intend at the present time to proceed with any registration system or to control those weapons which are excepted in the Criminal Code from such systems because they are principally used for hunting.

Mr. Leggatt: A supplementary question for the Solicitor General, Mr. Speaker. Could the minister advise the House if there is a specific study group dealing with the question of firearms and whether it has made any report to him? If so, does he intend to recommend changes in the Criminal Code, to the cabinet through the Minister of Justice that would deal with firearms?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker, a group of officials in my department is studying the effectiveness of our present gun laws and is looking at gun laws in other countries. We have not yet had a report on that.

* * *

[*Translation*]

PENITENTIARIES

COWANSVILLE—REQUEST FOR ENFORCEMENT OF LAW FOR MURDER OF INSTRUCTOR

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish also to direct a question to the Solicitor General.

A few days ago a murder was committed at the federal prison in Cowansville when a young instructor aged 34 was savagely killed with a hammer. Has the Solicitor General been advised of the circumstances surrounding this murder, and does he intend to recommend the application of the legislation as approved by Parliament?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I would agree with the hon. member that this was a most horrible crime and we extend our condolences to the family of the killed instructor. At the present time a suspect is under arrest by the Quebec provincial police and an investigation is being made into this matter. In addition, the regional director for the penitentiary service in Quebec is to have an administrative inquiry. With respect to the latter part of the question, I cannot make any recommendation on this case since it has not yet gone to trial.

[*Translation*]

Mr. André Fortin (Lotbinière): A supplementary question, Mr. Speaker.

I should like to ask the minister what he will do, after having offered the victim's family his condolence and received the investigation report, among hundreds of others.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

POSSIBLE EXTENSION OF ARDA PROGRAM IN BRITISH COLUMBIA—WILLINGNESS OF PROVINCE TO ENTER INTO OTHER AGREEMENTS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In response to a question put by one of my colleagues yesterday the minister neglected to report whether or not it was possible for him to negotiate an extension to the ARDA program which has helped the native community of British Columbia and which was due to expire at the end of March. May I ask the minister also if during his deliberations in British Columbia the 15 per cent to 16 per cent unemployment rate in central and northern British Columbia, which is a result of the declining lumber market, was discussed and if the British Columbia government declared itself ready to enter into agreements with his department which serves other parts of Canada so well?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I wonder if I could make a slight correction in the preamble to the hon. member's question. What I was referring to yesterday was an extension of the regional development incentives program. This does not mean that ARDA will not be extended. I was making that statement yesterday because preliminary arrangements have still to be completed. On the question of the area to which the hon. member alludes where the lumber industry is in trouble, I proposed to the government of British Columbia, and I think it was accepted, that we should explore the possibility of establishing some form of incentives program which would apply to the forest industries or some aspects of them in British Columbia. I assigned officials to the negotiations when I was there two weeks ago, and I am hopeful that we will be able to sign an agreement in the feneral context I have just outlined within a few weeks at the outside.

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EXTERNAL AFFAIRS

ALLEGED AGREEMENT CANADA WOULD NOT RETALIATE FOR BOARDING OF "GREENPEACE III" BY FRENCH AUTHORITIES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question to the Secretary of State for External Affairs is a followup to the question that the hon. member for New Westminster put to him yesterday. In view of a statement made by General Christian, officer in charge of the French air force in Tahiti and other members of the French government that the Canadian government gave them assurances that there would not be any interference from the Canadian government when they boarded Mr. McTaggart's boat, can the minister advise the House if he has been able to confirm that story? If so, who was the minister in charge at the time who gave the assurance to the French government?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I cannot confirm the story because no such conversation took place between officials of this department and the French authorities.

REQUEST FOR TABLING OF DOCUMENTS EXCHANGED BETWEEN FRANCE AND CANADA CONCERNING "GREENPEACE III"

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, a supplementary question for the Acting Prime Minister. Would he be prepared, on behalf of the govern-

ment, to table all documents exchanged between the government and any department of the French government that had anything to do at all with the *Greenpeace III*?

Hon. Mitchell Sharp (Acting Prime Minister): I will take that under consideration, Mr. Speaker, but I should like to reaffirm what my colleague, the Secretary of State for External Affairs has said, that I did not nor did any of the officials at that time have any correspondence or conversations with the French government along the lines suggested.

* * *

HOUSING

PROPOSAL TO EXTEND $500 GRANT TO PURCHASERS OF EXISTING HOMES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is for the Acting Prime Minister. Will the federal government follow the example set by the province of Ontario which makes a $1,500 grant available to first time purchasers of new or existing homes and extend their $500 grant to purchasers of existing homes as well as new dwellings?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. The purpose of our arrangement is to promote the building of new houses.

● (1450)

Mr. Darling: Will the Acting Prime Minister make recommendations to have the Minister of Finance reconsider the funding of those housing programs already underway in the provinces and for which the federal government had earlier reduced the amount of money in which they were going to share?

Mr. Sharp: Mr. Speaker, I will bring these representations to the attention of my colleague.

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CONSUMER AFFAIRS

ALLEGED OVERCHARGING BY FEED MANUFACTURING COMPANIES—REQUEST FOR INVESTIGATION

Mr. John Wise (Elgin): Mr. Speaker, I wish to direct my question to the Minister of Consumer and Corporate Affairs. Will the minister either instruct or request his departmental officials to investigate the situation whereby it is reported that certain feed manufacturing companies which own and operate poultry processing plants are charging premium prices, some to the extent of $20 extra per ton for their feed products sold to poultry producers?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I was not aware of this, Mr. Speaker, but I will find out and report to the hon. member.

[Mr. Reynolds.]

[*English*]

SHORTAGE OF MASON JAR LIDS IN BRITISH COLUMBIA—REQUEST FOR MONITORING OF SITUATION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Is the Department of Consumer Affairs actively monitoring the supply of canning jar lids available to home canners in British Columbia? There are reports that supermarkets are already rationing the sale of lids to customers.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, following the many representations made some time ago by members on this side of the House, we have instructed the officials of my department to follow this matter very closely. The reports I have received to date are quite favourable. Products are available in sufficient quantities and British Columbia consumers should not suffer this year the inconvenience they suffered last year.

* * *

[*English*]

THE ARTS

CRITERIA FOR ALLOCATION OF CANADA COUNCIL GRANTS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Secretary of State. Will the minister inform the House whether his department has established any criteria to define what is pornographic when allocating Canada Council grants for poetry and drama, either on stage, on film or any other kind of art form?

Hon. James Hugh Faulkner (Secretary of State): Of course not, Mr. Speaker.

* * *

IMMIGRATION

REQUEST FOR INVESTIGATION OF ALLEGATIONS CONCERNING CHENG HON-KUEN

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. I bring to the attention of the minister an article in the *International Herald Tribune* in Paris dated March 6, 1975, page 5. Will he look into the allegations indicated where one who offered a bribe, Cheng Hon-kuen, had charges brought against him in return for his testimony along with a full pension and leave, back pay, a gratuity and help in emigration to Canada. I do not know whether the minister knows about this. However, will he look into this matter in order to determine whether there is any truth in this peculiar way of doing business with regard to immigration?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I was not aware of this, Mr. Speaker. I will certainly look into it. Perhaps the hon. member can save me some time by sending over a copy of the article and I will have it investigated.

Mr. Alexander: In light of those circumstances and in view of the fact the judge in question expressed concern at the generosity of these amnesty deals, will the minister at the same time look at his records, which indicate he has given the stamp of approval to some 18,000, in order to determine whether in fact this particular individual is on his list. Knowing that this government can move very quickly when necessary, will he also do that when I send this article to him?

* * *

REGIONAL ECONOMIC EXPANSION

REQUEST FOR REVIEW OF INCREASED FEES FOR COMMUNITY PASTURES

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In view of the many problems facing our livestock industry, will the minister review the increased fees to be levied this year in community pastures, some an increase of 40 per cent, with a view to returning them to the 1974 levels?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will be very glad to review it. I have had a number of representations on this matter from western Canada within the past 48 hours. I have asked my officials for an assessment of it. I cannot, of course, give any commitment to change, but I will certainly look at it sympathetically.

* * *

LABOUR CONDITIONS

DATE OF REPORT OF DR. HALL ON RAILWAY PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of Labour. It relates to the report of Dr. Noel Hall, the commissioner who is inquiring into all aspects of railway pensions. Can the minister say when we might expect that report?

Hon. John C. Munro (Minister of Labour): I believe fairly soon now, Mr. Speaker. I can check with Dr. Noel Hall and be more specific for the hon. member later this week.

* * *

NATIONAL SECURITY

POSSIBILITY COMMUNICATIONS BRANCH OF NRC MONITORING LONG DISTANCE TELEPHONE CALLS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of State for Science and Technology. It arises out of the confusion that was engendered into our exchange yesterday by an apparent misunderstanding in the mind of the Prime Minister. I wish to ask for the third time a question arising out of the minister's admission that the communications branch of the National Research Council monitors Hertzian waves. Can the minister tell us if the communications branch was or is monitoring long distance telephone calls placed in Canada to points in Canada or, and I emphasize that word, points outside Canada?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, I see no reason to change the answer I gave yesterday.

Mr. Clark (Rocky Mountain): Which one?

Mr. Drury: If the hon. member will read *Hansard*, he will find the answer.

Some hon. Members: Hear, hear!

INQUIRY WHETHER ANY SECURITY AGENCY MONITORING LONG DISTANCE TELEPHONE CALLS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I will not subject the House to the acrobatics performed by the minister yesterday. I wish to ask the Acting Prime Minister whether there is any other security agency operating under Canadian authority or under the authority of an agreement to which Canada is a party which is monitoring long distance telephone calls placed in Canada to points in Canada or abroad.

Mr. Speaker: Order, please.

Hon. Mitchell Sharp (Acting Prime Minister): Perhaps I should have retained my seat. In reply to the question that was asked, I must repeat what I said before. I do not think that the House of Commons in open session is the proper place to discuss security.

* * *

UNEMPLOYMENT INSURANCE

REQUEST THAT PRISON INMATES BE ELIGIBLE FOR BENEFITS UPON DISCHARGE

Mr. Bruce Halliday (Oxford): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the fact that amendments to the Unemployment Insurance Act in 1971 have precluded inmates of provincial and federal penal institutions from receiving unemployment insurance benefits upon discharge, which previously they could claim if they had two years of employment built up prior to incarceration, can the minister inform the House if he has any plans to amend the act so that such persons would again be eligible for unemployment insurance benefits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that particular anomaly in the act, which is associated also with people on workman's compensation, is a matter that is under serious review. I cannot indicate to the House whether a decision has or has not been made. It is an area about which I feel strongly. I think it should be looked at very carefully.

● (1500)

ROUTINE PROCEEDINGS

[*Translation*]

VACANCY

Mr. Speaker: Order, please. I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, of the Hon. Jean-Eudes Dubé, P.C., member for the electoral district of Restigouche, by resignation.

Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issuance of a new writ of election for the said electoral district.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the following questions will be answered today: Nos. 717, 758, 977, 978, 1,347, 1,773, 1,787, 1,793, 1,794, 1,796, 1,943, 1,961, 1,968, 1,977, 1,980, 1,986, 1,991, 2,071 and 2,126.

If questions Nos. 56 and 614 could be made orders for return, these returns would be tabled immediately.

I ask that questions Nos. 266, 320 and 518 be made orders for return and also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

Mr. Speaker, would you be so kind as to call starred question No. 1,834?

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

[*Text*]

DEPARTMENT OF EXTERNAL AFFAIRS—TRAVEL EXPENDITURES

Question No. 717—**Mr. Stevens:**

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

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

Hon. Allan J. MacEachen (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned the reply is as follows: 1.

[Mr. Andras.]

1.	1971–72 $	1972–73 $	1973–74 $	1974 to September $ $
(a)	77,834	88,750	79,041	42,275 (3,860)
(b)	1,367,517	1,696,444	2,237,552	1,103,601 (173,930)
(c)	n/a	n/a	n/a	n/a
(d)	207,303	289,787	517,392	313,874 (14,850)

The 1974-1975 figures include the amounts shown in brackets for accountable travel advances. (a) These figures include travel expenses for the Under-Secretary, Assistant Under-Secretaries and any person who was designated to represent the Minister. (b) These figures include travel expenses for the participation of Members of both Houses of Parliament and all public servants in major international conferences for which participation is financed by this Department. Actual figures can only be obtained by performing a thorough analysis of all travel expense claims and other related accounts submitted to the Department for payment.

2. The analysis required to obtain the precise information requested and actual figures for parts 1 (i.e., note comments "a" and "b") and 2 would be prohibitive in terms of time, manpower and financial resources.

In so far as the International Joint Commission is concerned, the reply is as follows: 1. (a) To be answered elsewhere; (b) To be answered elsewhere; (c) In so far as the International Joint Commission is concerned, because of the nature of its work, no differentiation can be made between travel in Canada and travel in the United States. Cost of travel outside North America was as follows: 1971 and 1972, Nil; 1972 and 1973, $1,898.72; 1973 and 1974, Nil; (d) In so far as the International Joint Commission is concerned: 1971 and 1972, Nil; 1972 and 1973, Nil; 1973 and 1974, Nil.

2. In so far as the International Joint Commission is concerned: (a) Attendance at the United Nations Conference on the Human Environment; (b) Stockholm, Sweden; (c) Mr. J. L. MacCallum, Mr. Bernard Beaupré; (d) June 3 to June 18, 1972; (e) Transportation and Expenses; (f) Two.

In so far as the Canadian International Development Agency is concerned the answer is: 1. (a) Not applicable; (b) Not applicable.

(c)	Fiscal year 1971/72	Fiscal year 1972/73	Fiscal year 1973/74	Fiscal Year 1974/75 to September 30/74
	$362,402	$666,206	$754,081	$230,316
(d)	$ 8,674	$ 9,458	$ 8,122	$ 2,146

(excludes amounts paid for teachers, trainees, and experts paid from Aid funds)

2. The analysis required to obtain the information requested and actual figures would be prohibitive in terms of time, manpower and financial resources.

LOSS OF GRAINS THROUGH PROCESS OF HANDLING

Question No. 758—**Mr. Malone:**

1. At the Port of Thunder Bay, Ontario, have boxcars of grain ever been derailed and submerged in the Port during the process of loading grain from boxcars to ships and, if so, what was the total number of bushels of grain lost (a) during the present calendar year (b) during the past five years?

2. Are grain handlers accountable for any grains that are lost due to negligence during the process of handling?

3. Is there any insurance policy to cover losses of grain during the process of handling and, if so (a) what is the extent of the coverage (b) who is responsible for the payment of the premiums?

4. Is the loss of any grains that occur through the process of handling deductible from the farmers' final payment?

Hon. Otto E. Lang (Minister of Justice): 1. Yes. (a) In 1974, a total of 7,963 bushels were involved in three mishaps involving four cars. (b) It has not been possible to readily obtain information from sources up to five years old. There have been approximately nine or ten such occurrences in the past five years.

2. Negligence must be established in every instance before liability is assumed. Grain losses, while in the possession of the railways, are investigated by them to establish the limits of their liability, if any.

3. Railways are self-insured. (a) Their liability is limited by the terms and conditions of carriage. (b) Self-insurance premiums are in operating expense of the railways.

4. Railway claims covering losses on Wheat Board grains, through the shipping companies involved, are for the full export value of the grain. Such losses do not affect the level of the Board's final payment.

CONFLICT OF INTEREST REGULATIONS

Question No. 977—**Mr. Cossitt:**

1. What are all the reasons that conflict of interest regulations applying to the Prime Minister and to Members of the Cabinet are not also applicable to assets held by their wives or their husbands?

2. Will the government announce a change in such regulations to make them applicable to spouses and (a) if so, on what date (b) if not, for what reason?

Right Hon. P. E. Trudeau (Prime Minister): 1. The answer to this question can be found in the House of Commons Debates for December 10, 1974, page 2111.

2. No. See answer to part 1.

FURTHER CONFLICT OF INTEREST REGULATIONS

Question No. 978—**Mr. Cossitt:**

1. Will the government announce further conflict of interest regulations requiring all Cabinet Ministers to make public whether or not they have transferred assets of any kind to their wives since receiving appointment to the Cabinet and at the same time will they be required to make public the nature of all such assets transferred?

2. If the government will not announce such further conflict of interest regulations, what are all the reasons that this will not be done?

Right Hon. P. E. Trudeau (Prime Minister): 1. No.

2. Such additions to the guidelines applicable to the Ministers of the Crown are unnecessary.

Order Paper Questions

TAX EXEMPTION TO SMALL BUSINESSES

Question No. 1,347—**Mr. Robinson:**

Is it the intention of the government to consider the advisability of giving a tax exemption in the first $10,000 of earned income by small business in order to give small business added incentive to retain funds in the business for expansion or increased working capital?

Hon. John N. Turner (Minister of Finance): It is not at this time the intention of the government to consider the giving of a tax exemption to the first $10,000 of income earned by a small business. The small business deduction as recently amended by Bill C-49 presently allows a small Canadian-controlled corporation to pay a low rate of tax on the first $100,000 of active business income earned by it in a year. This low rate is generally available to such a corporation until it has accumulated $500,000 of active business income after 1971.

TEXTILE MARKET

Question No. 1,773—**Mr. Howie:**

What measures are being taken to protect existing markets and restore production and develop badly needed markets to counteract the loss of Canada's textile markets reflected in closed mills, 8,000 unemployed workers and underemployed Canadians?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The reports of the Textile and Clothing Board on its concurrent inquiries into the impact of imports on Canadian production of a number of textile products, conducted at the request of the Minister, were tabled on March 6, 1975. Each of the products had been identified by the Labour/Management Committee of the Canadian Textile Industry as a priority problem area. As announced when the Board reports were tabled, the Government is taking appropriate action to implement the thrust of the Board's recommendations, including the maintenance and extension of export restraints on specific products with certain countries and the placing of these and other products on the Import Control List. It is considered that these measures will assist in restoring a reasonable degree of stability in the markets involved while enabling Canada to continue to fulfill its international obligations under the G.A.A.T. The Department has been encouraging Canadian textile producers to expand their export markets by assisting them to participate in international fairs, to identify and adjust to new foreign markets, and to bring foreign buyers to Canada. A number of general industrial assistance programs of the Department are available to help the textile industry restructure its operations and to develop new products with a view to improving its competitive position in the domestic and international markets. These programs include the Program to Enhance Productivity, the Program for the Advancement of Industrial Technology and the General Adjustment Assistance Program.

DEPARTMENT OF SUPPLY AND SERVICES—TENDER BF-ARO-6160-04-108-2A

Question No. 1,787—**Mr. Whittaker:**

Was Tender BF-ARO-6160-04-108-2A to supply parts and services to the Department of Supply and Services called by the government and,

if so (a) on what date was it let (b) to whom was it awarded (c) what was the amount of money that the tenderer received?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) The contract is dated June 20, 1974; (b) Dominion-Pegasus Helicopters Ltd., P.O. Box 340, King City, Ontario L0G 1K0; (c) Invoices to February 19, 1975, $64,211.99.

MR. PITFIELD'S TRIPS

Question No. 1,793—**Mr. Cossitt:**

1. With reference to Attachment "B" of the answer to Question No. 447 that Mr. Michael Pitfield made certain trips at public expense "to recruit senior staff and meet with local officials", in each such case (a) what are the names and addresses of senior staff recruited or interviewed for recruitment (b) what are the names, positions and addresses of all local officials met (c) what are all the full property addresses where any recruiting interviews for recruitment or meetings with local officials took place?

2. What was the purpose and subject discussed at each such meeting?

Right Hon. P. E. Trudeau (Prime Minister): 1. (a) It is not government policy to disclose names of people interviewed for recruitment in the Public Service of Canada, nor would it be desirable to do so since such information might jeopardize the current employment status of an individual, reflect on his competence or otherwise encroach upon his rights. (b) Local officials visited were met for the purpose of exchanging views for use in advice to be given the Government. Under long established Parliamentary practice, advice from officials to Ministers of the Crown, or the source thereof, is privileged information. (c) See (a) and (b) above.

2. See 1(b) above.

MR. PITFIELD'S TRIPS

Question No. 1,794—**Mr. Cossitt:**

1. With reference to Attachment "A" of the answer to Question No. 447 to the effect that Mr. Michael Pitfield made certain trips at public expense "to meet with consultants", "to meet with officials" and "to meet with provincial officials" (a) what are the names, positions and addresses of all such persons met (b) the full property addresses where all such meetings took place?

2. What was the purpose and subject discussed at each such meeting?

Right Hon. P. E. Trudeau (Prime Minister): See answers to question No. 1,793.

MR. PITFIELD'S TRIPS

Question No. 1,796—**Mr. Cossitt:**

With reference to the answer to Question No. 447 that Mr. Michael Pitfield was in London, Paris, and Brussels for a period of thirty-six days from November 1 to December 6, 1968, on Privy Council office business (a) what is a full description of all such business (b) where did he spend each day and night (c) what are the names and addresses of all persons dealt with and in what locations?

Right Hon. P. E. Trudeau (Prime Minister): (a) The purpose of the official trip was to exchange views for use in advice to be tendered to a Minister or Ministers of the Crown. (b) Time spent on official business was spent at places mutually convenient to the respective parties. Disclosure of information of a private nature should not be requested under the rules of Parliament. (c) See reply to question No. 1,794.

*CREATION OF NEW PRISONS

Question No. 1,834—**Mr. Beatty:**

1. Is the government giving consideration to the creation of new prisons in or near any municipality in Wellington, Grey or Dufferin Counties or the Regional Municipality of Waterloo and, if so, what are the localities being considered and for each location is the institution being considered a minimum, medium or maximum security institution?

2. For each institution (a) approximatively how many inmates would be expected to be housed in it (b) on what date does the government plan to begin construction (c) on what date is construction expected to be completed?

Hon. Warren Allmand (Solicitor General): The answer is as follows: 1. The Canadian Penitentiary Service has a need for inmate accommodation and has activated investigations in a number of locations including the stated municipalities to determine whether there are suitable sites. The site required will be for a medium security institution.

2. (a) The institution will have a capacity for 180 inmates. (b) The construction start date cannot be established until a site has been found. (c) Normally, the design of facilities and their construction would take about two years. Completion depends upon the date started.

SNOWSHOE CONTRACT

Question No. 1,943—**Mr. Reynolds:**

Was a contract awarded November 1, 1974, for 12,697 pairs of snowshoes to Magline of Canada Limited, Renfrew, Ontario and, if so, were tenders called for on the contract?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned: A contract was awarded October 16, 1974 to Magline of Canada for 12,697 pairs of snowshoes at a cost of $711,655. The news release on this contract award was dated November 14, 1975. Tenders were called and Magline of Canada was the lowest tender received.

CONTRACT FOR BRIEFCASES

Question No. 1,961—**Mr. Reynolds:**

1. Was a contract awarded September 27, 1973 to Queen Leather Products Inc. for briefcases costing $27,401?

2. For what purpose were they purchased?

3. For what department were they to be allocated?

4. How many briefcases were purchased?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Department of Supply and Services is concerned: 1. Yes. Contract was for briefcases and portfolios.

2. For stocking and subsequent sale and distribution by the Department of Supply and Services Regional Supply Centres located in Halifax (Dartmouth), Montreal and Ottawa.

3. Any federal department which requisitions the items on an as and when required basis.

4. Four hundred sixty-eight briefcases; 1,460 portfolios.

THREE-TRAILER NURSING STATION CONTRACT

Question No. 1,968—**Mr. Reynolds:**

1. Was a contract awarded April 4, 1974 to Corab Services Ltd., Calgary, Alberta for the supply of one three-trailer nursing station costing $123,700?

2. What was the cost of the supply, transportation and installation of the item?

3. Were other tenders submitted?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned: 1. Yes, however the contract was awarded March 12, 1974; the news release was dated April 4, 1974.

2. The contract in the amount of $123,700 was on a firm lot price basis for the supply, delivery and installation. The transportation cost amounted to $15,840. The installation charge was not defined separately.

3. Yes.

OFFICE FURNISHINGS CONTRACT

Question No. 1,977—**Mr. Reynolds:**

1. Was a contract awarded November 20, 1974 by the Department of Supply and Services to Standard Desk Ltd., Laval, Quebec for a quantity of office furnishings costing $897,642?

2. Were tenders requested?

3. What companies tendered?

4. Did the Department contribute, financially or otherwise, to the set-up of the company in its ability to construct such furnishings?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Department of Supply and Services is concerned: 1. Yes, however, contract was awarded on October 29, 1974; press release was dated November 20, 1974.

2. Yes.

3. Standard Desk Limited; Louis Ethan Limited; Sunar Limited; Ebena/LaSalle Inc.; Gothic Store Fixtures.

4. No.

OFFICE FURNISHINGS CONTRACTS

Question No. 1,980—**Mr. Reynolds:**

1. Was a contract awarded by the Department of Supply and Services on March 12, 1974 to Vulcan Industries Ltd., Pointe aux Trembles, Quebec for a quantity of office furnishings costing $1,182,339?

2. Were tenders requested?

3. What companies tendered?

4. Did the Department contribute financially or otherwise to the set up of this Company for its ability to construct such furnishings?

5. Is there an arrangement with Vulcan Industries whereby the Department will show preference to their tenders in the future?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Department of Supply and Services is concerned: 1. Yes, however, contract was awarded on February 20, 1974; press release was dated March 12, 1974.

2. Yes.

3. Vulcan Industries Ltd.; Ebena/LaSalle Inc.; Standard Desk Limited; Sunar Limited; Canabureau Ltd.

4. No, except in technical matters related to production as is the custom on most contracts for commodities manufactured to Government specifications.

5. No.

CONTRACT FOR TOBOGGANS

Question No. 1,986—**Mr. Reynolds:**

1. Was a contract awarded February 19, 1975 to Magline of Canada Ltd., Renfrew, Ontario for the supply of toboggans costing $215 each?

2. Were tenders requested on this contract and, if not, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Department of Supply and Services is concerned: 1. A contract was awarded January 16, 1975; the news release was dated February 18, 1975. The price was $215.54 each delivered to Lancaster Park, Alberta, and $211.65 each delivered to Montreal, Quebec.

2. Yes.

MAIL SERVICE CONTRACT

Question No. 1,991—**Mr. Reynolds:**

1. Was a contract awarded August 1973 to Batterton Mail Service Ltd., Ottawa, Ontario for mail service at a cost of $40,000?

2. For what reason was it necessary for the government to issue a contract on external mail courier service?

3. For what department was this service made available?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned: 1. Yes.

2. To meet a requirement of the National Museums of Canada for a mail and parcel pick-up and delivery services from and to 12 locations in the Ottawa area.

3. National Museums of Canada.

REASONS WHY DOCUMENTS ARE NOT MADE PUBLIC

Question No. 2,071—**Mr. Cossitt:**

1. With reference to the answer to Parts 2 and 4 of Question No. 1,083, what are all the reasons that the government refuses to make public the entire file on the project with these words "The documents in question are internal working papers which it is not government policy to make public"?

2. What are all the reasons that give the government the right to withhold this information from Parliament?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. See *Hansard,* March 15, 1973, page 2288.

2. See *Beauchesne, Parliamentary Rules and Forms,* fourth edition, Citation 171(C), (D), (H), (I), (R), (EE) and Citation 181(3) and (4).

SELECTED PRESS CLIPPINGS

Question No. 2,126—**Mr. Reynolds:**

1. How many people are employed by the National Research Council in putting together the monthly document called "Selected Press Clippings"?

2. What is the total cost including salaries in putting this monthly together?

Hon. C. M. Drury (Minister of State for Science and Technology): In so far as the National Research Council of Canada is concerned, the answer is as follows: 1. 0.09 man years.

2. $15,480.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

LIP—GRANTS IN CONSTITUENCY OF DOLLARD

Question No. 56—**Mr. Cossitt:**

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $688,751 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Dollard, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

FEDERAL LIBRARIES IN NORTHERN ONTARIO

Question No. 266—**Mr. Symes:**

1. (a) How many federal libraries are located in Northern Ontario (b) in what places (c) what are the holdings of these libraries?

2. As of June 1974, which daily and weekly newspapers published in Northern Ontario were being currently received by the National Library?

3. Which back files of daily and weekly newspapers published in Northern Ontario are held by the National Library (a) in a hard copy (b) in microform?

4. As of June 1974, how many libraries in Northern Ontario received *Canadiana*?

Return tabled.

PUBLIC SERVICE—NUMBER OF PERSONNEL, JANUARY 1, 1970 AND JANUARY 1, 1974

Question No. 320—**Mr. Orlikow:**

1. For each department, what was the number of persons employed on (a) term basis (b) contract basis (c) casual basis, by classification and salary range, on January 1, 1970 and January 1, 1974?

2. What benefits were payable to term employees, casual employees and contract employees, by classification and salary level (where applicable), on each of these dates?

Return tabled.

PERSONNEL ATTACHED TO MINISTERIAL OFFICES

Question No. 518—**Mr. Hnatyshyn:**

1. (a) What are the names of persons attached to each Minister as executive assistants, special assistants, private secretaries, special advisers, departmental assistants and secretarial or otherwise (b) what are the salaries of each of these persons?

2. What are the names of firms or individuals, if any, employed by the offices of each of the Ministers on a contract basis?

[Mr. Reynolds.]

3. What is the nature of the work or services under each contract?

4. What is the amount payable under each contract?

Return tabled.

LIP—ALLOCATIONS IN CONSTITUENCY OF VANCOUVER CENTRE, 1973-74

Question No. 614—**Mr. Cossitt:**

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Vancouver Centre, British Columbia (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 36 and 37?

COPIES OF CORRESPONDENCE BETWEEN SUNSET CREST LTD. AND EMPLOYEES OF AIR CANADA

Motion No. 36—**Mr. Mazankowski:**

That an order of the House do issue for copies of correspondence and agreements between Sunset Crest Ltd., now a subsidiary of the Barbados Shipping and Trading Co., and any employee of Air Canada or its subsidiaries.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): The requested documents are of a proprietary nature and Air Canada believes this information should not be made public for competitive reasons. I therefore ask the hon. member to withdraw his motion.

Mr. G. W. Baldwin (Peace River): We do not think this passion for secrecy should be carried so far, and we ask that this motion be transferred for debate.

Mr. Speaker: Transferred for debate.

COPIES OF DREDGING CONTRACTS, 1970-74

Motion No. 37—**Mr. Paproski:**

That an order of the House do issue for copies of contracts, correspondence, agreements and papers for each year 1970 to 1974 relating to dredging contracts in (a) Toronto (b) Quebec City (c) Île d'Orléans (d) Cap-de-la-Roche (e) South Baymouth (f) Hamilton.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): The papers requested cannot be produced as they might prejudice any proceedings before a court of justice. I therefore ask the hon. member to withdraw his motion.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I ask that a final decision not be made at this time in order that I may consult my hon. friend.

Some hon. Members: Agreed.

Mr. Hopkins: Mr. Speaker, I ask that the remaining notices of motions be allowed to stand.

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

LABOUR CONDITIONS

REQUEST FOR DEBATE ON LONGSHOREMEN'S STRIKE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the provisions of Standing Order 26, I request that an emergency debate be held on the feed grain supply in eastern Canada, and more particularly in Quebec.

This matter is vital, Mr. Speaker, and this is why:

(1) The longshoremen's labour conflict cuts off access to grain elevators. The longshoremen use this as a means to bring pressure to bear and, by doing so, they are endangering the life of the cattle because of a lack of food.

(2) Consequently, since the millers can no longer obtain feed grain as they cannot cross the longshoremen's picket lines, they cannot meet the demands of their customers for more than 24 hours.

(3) Yesterday, the minister stated that he knew that there was feed grain available, for instance in elevators and mills, as well as at the farmers' suppliers.

(4) The minister is ill-informed or misleads the House. I have here a telegram which clearly contradicts the statements made today by the minister and his parliamentary secretary, even though these statements might be true as concerns the port of Montreal, but this still increases production costs. The telegram, dated April 9 and received this morning, reads as follows:

Feed grain situation now tragic. Impossible to meet cattle feeding requirements.

Cannot conceive the irresponsibility regarding this issue. Unacceptable tolerance given to union leaders who perturb the economy with such irresponsibility. Urgent need for immediate action to deliver grain today to elevators.

Signed: Montmagny Farming Cooperative, A. Lamonde, Secretary.

And another letter says:

A lack of grain can be very harmful for our cattle and we are all aware of what could follow.

Mr. Speaker: Order, please. Pursuant to the terms of Standing Order 26, the hon. member must understand that he is simply required to give a brief explanation of the urgency of the issue. I now invite him to propose his motion.

Mr. Lambert (Bellechasse): Mr. Speaker, to conclude, I would like to say that when similar labour troubles paralyzed the western ports in March, the Chair allowed a special debate even though that conflict was settled. Moreover, the government introduced emergency legislation for settling that conflict. I hope that the Chair will equally welcome today my motion dealing with eastern problems and urging the government to introduce a bill so as to settle this problem without delay. I therefore ask, in accordance with the rules, that a special debate be held under Standing Order 26(10), since today is Wednesday, on the longshoremen's conflict in Quebec.

Mr. Speaker: Order. Under Standing Order 26, the hon. member has given to the Chair the prescribed notice. I have studied very carefully his letter as well as the telegram to which he referred a moment ago. It surely deals with a very serious and important matter. It is also impossible to ignore that situation which is quickly changing from day to day.

Of course, in answer to some questions that have been asked, today's situation is different from that of yesterday, and it is changing quickly. I recall that the last time we had an urgent debate under Standing Order 26 on account of a strike in western Canada, I accepted the motion at three o'clock in the afternoon and at eight o'clock in the evening, the strike had been settled. Given the quick changes that occur every day, I would prefer to reject the motion to have an urgent debate this evening, but that does not mean that I do not consider the situation as a serious one. I invite the hon. member, and I am quite sure he will do so, to follow the situation very closely and reserve his decision for a few more days in order to consider it very prudently. If such a situation persists, it might be possible perhaps later for the hon. member to raise this question a second time.

● (1510)

GOVERNMENT ORDERS

[*English*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES

The House resumed, from Tuesday, April 8, consideration of the motion of Mr. Sharp that Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates; and the amendment thereto of Mr. Knowles (Winnipeg North Centre) (p. 4623).

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, when the debate on Bill C-44 was adjourned at ten o'clock last evening I was pointing out that passing the bill, which grants very substantial increases to members of parliament and senators, will make it very difficult, if not impossible, for the government successfully to appeal to various segments of the Canadian population to restrain their demands for increased wages and salaries.

It is true that the members of the House and of the other place have not had an increase since 1971, although my recollection is that at that time the increase was substantial on the ground that it was to cover some years into the future. Be that as it may, the fact remains that the government has had ample opportunity since 1971 to set up some type of mechanism to deal with this matter, but has

neglected to do so, with the result that we now have a piece of legislation proposing very substantial increases.

An increase of 50 per cent is a very large increase in one's income. While the government has intimated that it may reduce this amount to 33 per cent when the bill is in committee, it is also true that it intends to put in the indexing feature, on the basis of the industrial composite index, to begin in this parliament rather than the next parliament. So that by the end of the thirtieth parliament members will be getting virtually what the government suggested in the legislation that was presented last December.

The government will find it very difficult to carry on its discussions with business, professional and labour groups, asking them for restraint in the matter of wages, if the House adopts the measure that is before it. The Minister of Finance (Mr. Turner) is quoted as having said the other day that he is alarmed at the very substantial increases which in recent months have been granted workers in this country. The Prime Minister (Mr. Trudeau) is quoted as having said at the first ministers' conference this morning that Canada has one of the worst records of any country in terms of days lost because of strike action. Everyone deplores loss of time due to strike action, but the fact remains that workers in this country have found that the cost of living in many cases has risen more rapidly than the real income which they receive.

The Prime Minister and Minister of Finance have been meeting, and intend to continue meeting, with various groups in the economy in order to persuade them to exercise some restraint in their wage demands. I submit it will be increasingly difficult to do that when at the same time those who are being asked to be less demanding know perfectly well that the Prime Minister, cabinet ministers and members of this House, as well as members of the other place, have all voted themselves very hefty increases in their remuneration.

How do we answer the longshoremen who only a few days ago were sent back to work by order of this parliament? I voted for that legislation because I thought it was absolutely necessary to get the ports in western Canada operating and to get grain moving to world markets. But how do I explain to longshoremen in British Columbia that we sent them back to work, leaving their future income to the tender mercies of an arbitrator, while we in this parliament are so generous with regard to our own incomes?

How do I answer old age pensioners and recipients of veterans' pensions in my constituency and all across this country? These groups find themselves in very difficult circumstances. The incomes they are receiving are not adequate to meet even the barest of living requirements. The best proof of this is that several of the provincial governments have had to step in and enlarge the incomes of old age pensioners. Many provincial governments are now providing a guaranteed income up to as high as $240 a month for old age pensioners because they cannot live on the present old age security pension even though it has a cost of living bonus attached to it. The provincial governments have had to subsidize out of their meagre revenues a payment to old age pensioners, the responsibility for whom lies primarily with the federal government.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

This parliament could long ago have substantially increased pensions paid to senior citizens and to veterans of this country. When we press the government with respect to this matter, the answer is always the same: the government cannot afford it. How will we explain to the old age pensioners and veterans that we cannot afford to give them more money but that we can afford to increase our own indemnities and travelling expenses?

I am afraid that as the government meets with the various segments of our economy and pleads with them to exercise restraint, the public is going to be very cynical. It is going to look upon members of parliament as taking the position: Don't do as I do, do as I tell you. It is going to remember the words of Emerson, who said, "What you are speaks so loudly, I cannot hear what you say".

I agree with my good friend and colleague, the hon. member for New Westminster (Mr. Leggatt), when he says that we should never put members of parliament in the position where the only persons who can run for office are those with a private income. That is true. There was a time, particularly in British history, when the only persons who could sit in the House of Commons were those who were wealthy and therefore they became a special group.

● (1520)

It is equally true that members of parliament ought not to become, on the other hand, an elitist group forming part of the upper 5 per cent of the income earners of this country. We do not want members of parliament who have to be dependent upon private a income: we want to make it possible for any citizen of this country to run for office and, if elected, to sit in this House of Commons. But we must be careful, at the same time, that those of us who sit in this House do not get out of touch with the people whom we represent; and that is a real danger. When you remember that in 1973 the average income of a family in Canada was $6,358, you will see that the increase alone being proposed in this legislation will be more than the entire income upon which some families in this country had to live for a whole year.

I submit that the government had a real opportunity, an opportunity which it has missed, to give some leadership in this country when it started to ask people to exercise a measure of restraint. It seems to me that was a good time to have said, when requesting the people of Canada to tighten their belts, that we would begin with ourselves. We could have given leadership in this regard. But we are not giving it in the bill which is now before us—a bill which will make it virtually impossible for the government to make such a request of the people of Canada without being laughed out of court.

I sometimes wonder whether members of parliament realize the extent to which the public is becoming increasingly cynical about politics and politicians. This is particularly true of young people. I have occasion to address many groups of young people in universities and high schools, and their attitude today is that all those in politics are there for what they can get. I submit that is not true. I have said repeatedly to groups of young people that in the many years I have associated with politicians, I can honestly say that the great bulk of them are honest men and

women who are sincere and conscientious in their desire to serve the public good.

Of course, there are exceptions; but there are exceptions in any group or any profession that you care to name. I think that on the whole this country has been well served by its public men and women. The fact remains that there is public skepticism about politics and politicians and I think we ought to be concerned about it. In a free society it is only natural that some people will disagree with particular politicians and will be disillusioned about some politicians and some political parties. That is what one can expect in a democratic society. But when the public becomes disillusioned about politics and politicians generally, then the basis upon which a free society is built is in real danger. If the public loses confidence and respect for parliamentary institutions, then I submit that our democratic system will not long survive.

I suggest that this cynicism and skepticism will not be dissipated by spurious arguments. The general public will tend to think like that homespun philosopher Josh Billings, who once said that when a fellow says it is not the money but the principle of the thing, it is the money! That is how I think the public will feel about some of the arguments to which we have been listening.

The hon. member for Windsor-Walkerville (Mr. MacGuigan) went to great lengths yesterday to say that we need to raise members' indemnities because this would prevent conflict of interest. I cannot imagine a more ridiculous argument, namely, that if we pay people more money, they are more likely to be honest. Some of the most dishonest transactions we have seen in this country and in other countries were committed by people who had the most wealth. There is no guarantee that you make people honest by giving them more money. People are honest because they have convictions and belief in their responsibilities in the public service.

Mr. Knowles (Winnipeg North Centre): The hon. member for Windsor-Walkerville (Mr. MacGuigan) was dredging hard for that one.

Mr. Douglas (Nanaimo-Cowichan-The Islands): We also hear the argument that if we raise the indemnity substantially we will get a better class of member. First of all, I do not agree with that. Over the years we have had some very good members in this House and in other elected bodies across the country. I do not agree that by raising members' indemnities you can guarantee a better class of member. Even if one accepted that thesis, raising the indemnity will not change the class of members of this parliament. If it would improve the quality of the members we get, we should raise indemnities for the next parliament and see whether we get a better group than we have now—and I doubt very much whether that would be the case.

The government would be well advised to accept the motion moved yesterday by the hon. member for Winnipeg North Centre (Mr. Knowles) for a six months' hoist. I think a six months' hoist would give the government ample time to set up some mechanism similar to the Beaupré committee, or a committee headed by the Chief Justice, that is, an unbiased and unprejudiced committee to look into the matter of proper and adequate remuneration for members of parliament, senators, cabinet ministers and the Prime Minister. Then the whole question of what should be paid for our services would be placed in the hands of some other body rather than being left to us. Nothing could be more embarrassing than for members to have to decide on their own what they think they are worth. No other group in the economy has that privilege: other groups have to bargain for the wage return they will get. In some cases—as in the case of the longshoremen—when they cannot agree, parliament sends them back to work and allows an arbitrator to make the decision.

It would be a good idea to have an arbitrator in this instance. There is no hurry about this matter. This parliament will probably run for another 3½ years, so there is plenty of time to set up some mechanism for taking this whole question out of the hands of members of the House of Commons, letting somebody look into it, make recommendations and have those recommendations considered by the House as having been prepared and computed by an independent group. If the government is not going to do that and insists on proceeding with this legislation, then it seems to me that at the very least those who took on the job of being members in this thirtieth parliament ought to be prepared to work for the indemnity we knew was in effect when we were elected, and we should add to the indemnity—and to the indemnity alone—a cost of livng index computed from July 8, 1974. That would mean we would receive the the salary that we contracted to work for, plus an increase to compensate us for the rising cost of living.

● (1530)

I think if we did that we would be setting an example for the rest of the people of Canada. I am sure no one need tell the government there are a great many collective agreements coming up for negotiation this year. Unless there is some measure of restraint, we will have a great deal of industrial unrest in this country. I can understand the government's concern. I can understand the concern of the Minister of Finance about what will happen, not only in terms of the days lost because of strikes but also because of the effect on our economy if exorbitant demands are made and accepted. I plead with the government: if it really wants to give leadership to the people at this time and to exercise restraint with regard to wage and salary demands, it should begin here. Sacrifices, like charity, should begin at home.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I rise to speak at this time for two reasons: first, to clarify the government's intention in respect of amendments to the bill in committee and, second, to urge that the bill be referred to the committee without delay so that the necessary amendments may be made and the House will be in a position to consider the bill in its amended form rather than in the version that is now formally before us.

The House will recall—it is hardly necessary for me to go over the history of this legislation—that in its original form the legislation provided for a flat 50 per cent increase in indemnity and allowances, without any escalation. It was a percentage that was to be flat and not to be changed during the course of the parliament. There was, however,

some misunderstanding, perhaps accompanied by some misrepresentation, in respect of the purpose of that increase: it was equated with the kind of increases that come annually between employers and employees, as if we were to receive 50 per cent a year or something of that kind.

In order to deal with that particular kind of criticism, after discussions among the representatives of the parties, I indicated on December 19, 1974—my remarks appear at page 2385 of *Hansard*—that the government would be prepared to support amendments to the bill which would change the form of the increase. I proposed at that time that the increase should be 33⅓ per cent in respect of the indemnity and allowances, and that there should be a formula for adjustment which would come into effect on January 1, 1976, after a period of 18 months during which there would be no adjustment in either the indemnity or allowances. As from January 1, 1976, salaries and allowances would become adjustable on the basis of the increase that had taken place in the industrial composite index between the average of the two previous calendar years. In other words, on January 1, 1976, there would be an adjustment to reflect the percentage increase that had occurred in the industrial composite index between 1974 and 1975, and in each subsequent year a similar adjustment would take place.

Incidentally, I should like to comment on the statement of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who suggested that the increase that had taken place in 1971 was supposed to reflect the future as well as the past. I have very carefully examined the record and have spoken to my colleague the Secretary of State for External Affairs (Mr. MacEachen). He affirms what I read in *Hansard*, which is that the adjusted payment at that time reflected only the increase in the relevant index that had taken place in the past, and there was nothing contained in that adjustment which took into account any changes which might take place in the future. So I think we are quite justified in going back to 1970 to reflect, in the present proposals, the changes in the industrial index which have taken place in that four-year period.

The House will also recall that we did not reflect, in the adjustment proposed on December 19, the full increase that had taken place in the general level of salaries and wages during the previous four years. If, in fact, we had done that, we would have proposed an increase of 37 per cent rather than 33⅓ per cent. However, as I said at that time in the course of my remarks, there seemed to be a disposition on the part of those consulted to recommend somewhat less. That was the basis for the amendments I proposed on December 19 last year. At that time, the Leader of the Opposition (Mr. Stanfield) gave general support to the amendments although he had some reservations about the salaries of ministers and other officials of the House and of the government.

In the meantime, the government has been giving further consideration to the formula for adjustment of the indemnity and expense allowance in future years. It had been our purpose, one which was shared by the Leader of the Opposition, that the adjustment should run somewhat behind the increase in the industrial composite index. I should like to quote what the Leader of the Opposition said at that time, because I think it reflected what we all had in mind in making those proposals. As recorded at page 2386 of *Hansard* for December 19, 1974, this is what he said:

> I am also pleased that the escalation factor in the future is delayed by a year and will therefore run somewhat behind the general increase in the index. That provides, and I am pleased to see it, I think some general incentive to members of the House to fight inflation.

● (1540)

That was the view he expressed at that time and it was certainly one that we on the government side shared. On further reflection, and in light of the comments of those in favour of an increase in remuneration but who are somewhat concerned about the appearance of the adjustment formula—even though, as I have said, it is fair and defensible—the government is prepared to consider amendments which would modify the rate of escalation. In recent days discussions along these lines have taken place among representatives of the parties and I personally believe that a formula can be worked out in committee that would help to reduce the concern of some who are prepared in principle to support the legislation.

There are several ways of making the adjustment, of doing what we all have in mind. There are merits and drawbacks to all of these, as anyone who has taken the trouble to look at the problem will discover for himself. I suggest, however, that it would be extremely difficult to resolve the issue or to decide which is the preferable method during this debate on second reading. The question before us at this stage in our proceedings is one of principle, which is that the remuneration of members of parliament should be increased to bring it more into line with present circumstances, and to provide for an adjustment that would keep it in line with future circumstances, even though the bill before us requires substantial modification along the lines I indicated on December 19 and perhaps in other particulars which may be decided by the committee itself.

Therefore, I urge the House to express itself on the principle of this bill, which is to increase the indemnity and allowances of members of parliament and to provide for periodic adjustment, and to refer the bill to the standing committee where it can be examined in detail, amended and reported back for further consideration. It seems to me that in this way we can have a more meaningful and conclusive debate.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise merely to respond very briefly to what has been said by the government House leader, the President of the Privy Council (Mr. Sharp). He indicated, on the part of the government, a willingness that this matter should go to committee where the bill can receive the kind of examination, amendments and changes that the committee might see fit to make or to propose. I begin by pointing out to the House that this, of course, is the most appropriate function of a standing committee. It does not fall within the regulations of this hallowed chamber to permit amendments to be brought forward in detail on second reading of a bill.

We are dealing with a bill concerning salaries of members of parliament and other elected officers of the government and of the House, and as such there is a question

of whether or not consideration should be given to there being such increases. We can and have considered the question of what should be the amount of the salary increases, what should be the expense allowance, what should be the position with regard to retroactivity, with regard to ministers' salaries, and so on.

We have had an excellent debate in the House: it has been a hard debate and some very firm positions have been taken. In some cases there is a great gap separating certain members of the House, but it seems to me that the substantial majority of the members who have spoken, no matter what increases they are inclined to favour, approve the principle that certain adjustments should be made. That being the case, I certainly go along with the President of the Privy Council and say: Let us dispatch this matter to the committee. Let the committee, in light of what has been said in the debate and in light of instructions which the representatives may receive from their respective parties, make such amendments and proposals as they feel they should, following which the matter should come back to the House.

I urge the House to let the matter go to committee as soon as possible so that we can get on with other business. In saying that, I would point out that we have expressed some reservations inside and outside the House regarding some of the issues involved. We want to feel free in the committee to consider changes, for example, with regard to ministerial salaries, whether or not the amount of remuneration should be brought in line with the 33⅓ percent basis and similar proposals. There may well be some question as to retroactivity and other issues.

Certainly, the Leader of the Opposition (Mr. Stanfield) spoke for the party when he indicated outside the House that somehow there should be incorporated into the bill a measure which would constitute an incentive in parliament to reduce the rate of inflation. I say that with full knowledge of the fact that for 4½ years this parliament has set a very good example to the rest of the country on the question of inflation by not asking for an increase in remuneration. Unfortunately, that example was not followed by other sectors of the economy, including governments federal, provincial and municipal, industry and labour—even including those guardians of public morality, the media. However, that is beside the point.

Despite the fact that the example we strove to set in the last 4½ years has not had much success, I still think we have an obligation to try to work out a formula—even if that formula were in the form of a ceiling—so that there would be an obvious desire, as members of the House and representatives of the people of Canada, within the limits of our ability as a parliament, as contrasted with the government, to do something about inflation. Such a ceiling might well be worked out in the committee as a result of motions, amendments and discussions which will take place there.

For that reason, and to that extent, I go along with what has been said by the President of the Privy Council and hope we will dispatch the matter to the committee so that it may come to a decision, bearing in mind what has been said in the House, and bring its views back to the House. We will then examine the results and deal with the question at that time.

● (1550)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I listened to the House leader for the Conservative Party with amusement when early in his comments he said this debate has been lively, interesting and informative, or words to that effect.

Mr. Knowles (Winnipeg North Centre): "Excellent."

Mr. Broadbent: "Excellent" is one specific adjective he used. If those terms are appropriate, he must have been using them to describe the contribution made by members of other political parties, because during the course of the debate yesterday, today and before Christmas no other Conservative contributed to it. Either his kind words were intended only for other political parties or he was patting himself on the back; I am not sure which.

In more serious vein, I would like to have heard a serious contribution from the Conservative Party as to where it stands on the principle of the bill and whether it is in accord with its own approach to the problems of the national economy. That party campaigned in last year's election on fiscal responsibility, on a reasonable incomes policy and on the need for restraint in the House of Commons. I would have thought we would have heard many sophisticated arguments justifying the bill—which still amounts to granting a 50 per cent increase—in terms of that framework, but we did not. We did not hear from the Conservative Party, nor did we hear from the Prime Minister (Mr. Trudeau) or the Minister of Finance (Mr. Turner), both of whom in recent months, since the election, have sounded like Conservative Party members in their statements about the need for restraint and reasonableness in terms of incomes policy.

I would have thought the least we could have expected from the government was a major speech in terms of the kind of leadership we in the House of Commons are supposed to be showing the rest of the country in these very difficult financial times. But we did not hear that either. Instead, we witnessed the low-key performance of the government House leader, which lasted almost three minutes, in order to justify the position of the government.

I want to go back, briefly, over the three stages of this bill. The bill was brought forward before Christmas on the assumption by the government that, with members desiring a Christmas break and some increase in pay, they could slip their iniquitous 50 per cent increase bill through the House of Commons very quickly. They learned that they could not do that. Two days later, after considerable thought and concentrated effort directed toward coming up with what the government described as a compromise measure, they introduced to the House, by way of a statement on motions, the set of amendments which was just referred to.

The ultimate intent of those amendments was to substantially reduce the 50 per cent increase, it was said. We, of course—myself and other members of my party—pointed out that it did not take the most brilliant mathematical mind in the country to conclude quickly from the amendments the government was going to introduce to Bill C-44, that by 1978 the cumulative income of members of parlia-

ment under the so-called compromise amendments would be greater than under the original 50 per cent increase proposal.

An hon. Member: What is your proposal?

Mr. Broadbent: My hon. friend wants to know our proposal. If he had taken part in the debate before Christmas, he might have learned it. He might even have contributed his own thoughts on the matter. Then we had phase three of the government's handling of this measure, which we witnessed yesterday and today. Today, the government House leader discussed the third set of amendments or, if I understand him correctly, really one basic change which the government is willing to consider in addition to the amendments he himself referred to before Christmas; that is, they are going to change the basis of escalation from the original amendments based on the average industrial composite index to some part thereof.

For the reasons which were referred to by the House leader of my party, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and by myself and others before Christmas, we find these proposals—there are really only two, the 50 per cent increase and the 33⅓ per cent plus escalation—unacceptable. I want to stress that we do not find them unacceptable by our criteria. I hope that the government backbenchers who were indulging in some rather irresponsible heckling yesterday will consider the arguments made, not on this bill but some four years ago by the Secretary of State for External Affairs (Mr. MacEachen) which I, on behalf of my party, when speaking on this measure before Christmas accepted. The argument the Secretary of State for External Affairs made with reference to members' salaries contained two points. First, he said that salaries for members of parliament should be sufficient to provide them with the necessary resources to discharge their task. He was talking about having enough income at our disposal to have a constituency office, to conduct mailings, and so forth.

An hon. Member: That's not what he said.

Mr. Broadbent: The hon. member says that is not what the Secretary of State for External Affairs said. I quoted his words. The hon. member can check *Hansard* and find them. The minister was talking about our capacity to discharge our responsibilities, on the one hand, and he added another important criterion—and I say in all seriousness that this is a criterion we accept—namely, that incomes must be sufficient for members to maintain a decent and reasonable standard of living for themselves and their families.

The members of my party accept that criterion without qualification. We say that a man or woman elected to the House of Commons should not be expected to suffer a significant decline in his or her standard of living. The average person coming here should be able to cope, in a society which is basically as affluent as ours, in terms of living reasonably. We take that view. We do not believe that a member of parliament should be indulging in self-denial, just as we do not believe that any worker in a economy as affluent and productive as ours should have to experience self-denial.

We have applied this criterion to members' salaries and have said that if we consider our last increase, we have experienced a real decline in our standard of living. We acknowledge that. Many members from all sides of the House have experienced hardship. We believe the majority of members of all parties want to change that situation, as we do. That point is beyond debate as far as we are concerned. But when we look at the level of income proposed by the government, and accepted in principle by the Conservative Party, we say that in our judgment it is too high. It does not meet the criteria so ably stated by the Secretary of State for External Affairs when he was government House leader. It goes well beyond that, Mr. Speaker, and that is why we object to it.

● (1600)

Before Christmas I tried to explain why we think it goes too far. Since 1970, members of parliament have seen a whole series of improvements in terms of facilities provided for them. Remember, Mr. Speaker, that was the first test which the minister applied when he was government House leader. Since 1970, public expense has paid for four newsletters per year, provided a constituency office and a secretary for that office, plane trip provisions have been extended and, in short, a lot of necessary—and I stress "necessary"—services have been provided to members of parliament. We support each of these. We think it is a good idea for the people of Canada to pay for services that enable members of parliament to do a good job. Anyone who quibbles with that idea has a mixed-up sense of priorities.

We say we cannot have it both ways, however. If, on the one hand, needed and improved services are provided to us, then we cannot simultaneously argue that the $8,000 expense allowance should be improved. If the people of Canada have already paid for expanding our service to the community, as they have, how can we go back to them and ask for something more? I repeat, Mr. Speaker, we cannot have it both ways. If the needed services have been provided since the last increase, then in the judgment of the New Democratic Party there can be no justification for increasing the tax exempt allowance. In the context of this debate, we in this party say there should be no increase to the $8,000 allowance because in the last four years the government has provided the facilities which many of us used to pay for out of our own pockets.

I want to make a personal reference to the hon. member for Windsor-Walkerville (Mr. MacGuigan) because he made a personal reference to me in the debate yesterday, saying that the argument I used before Christmas was hypocritical. He "snuck it in" at the end of his speech, saying something to the effect that one might say that kind of sophistry was a hypocritical argument. He did not want to say specifically that he thought it was hypocritical, but I must infer that is what he had in mind.

He said that in his view members of parliament had not formerly provided these services, and therefore it was hypocritical to use the argument that they were being provided. I say to him that I did provide such services. Out of my own pocket I paid for mailings to my constituents, for a constituency office and for help in that office. I do not say that in any boastful sense because I know that certain members of all parties did the same thing. I was

not being hypocritical. Many members took their obligations seriously and paid a substantial portion of their income to ensure that those facilities were made available in their constituencies.

We have said there is no justification for increasing the $8,000 portion of our income, but there is a desire and a need to meet the criteria set by the former government House leader, to provide sufficient income so that we can have a decent and reasonable standard of living for ourselves and our families. There is unquestionably a need to improve the $18,000 salary, but we say the increase should be equivalent to the increase in the cost of living since 1970. The conclusion of the vast majority of members of my caucus is that members should receive that kind of increase, which is now in the 28 per cent to 30 per cent range. What we regard as necessary expenditures for servicing our constituencies have been met by the government since 1970 so there would be no need for an increase to the $8,000. We believe that members of parliament should have basically the same standard of living as they had in 1970 or 1971, and in our view anything beyond that is unjustified.

The hon. member for Windsor-Walkerville said yesterday that a cost of living increase alone was not sufficient because it did not take into account increased productivity. He acknowledged that it is a little difficult to assess the productivity of members of parliament.

Mr. Baldwin: How about speeches?

Mr. Broadbent: We have had no problem with the Conservatives in that regard in this debate. There has been zero productivity—no, zero plus one.

Mr. Railton: Do you accept the ICI?

Mr. Broadbent: No, the consumer price index is our criteria. The hon. member for Windsor-Walkerville said that we should receive an increase that is not only based on the cost of living but also on productivity. We reject that argument, Mr. Speaker.

Mr. Jamieson: You are afraid your productivity is too low.

Mr. Broadbent: The Minister of Regional Economic Expansion (Mr. Jamieson) says our productivity is too low, but I contend it is the cabinet's productivity that is too low. We reject the argument of the hon. member for Windsor-Walkerville because we believe that those of us who are in the top 5 per cent—or, depending on your criteria, the top 1½ per cent—of the income level of Canada should call a halt to increases in our income beyond that which is necessary to keep us at the standard of living to which we have been accustomed. We say that anything more than that is unjust until the average income earner and the poor catch up.

It is as simple as that, Mr. Speaker. If there is anything that I feel deeply about, that is it. In this country we do not have a narrowing of the gap between rich and poor, but a widening. Every bit of statistical evidence, whether from government or other sources, documents that fact. In this country one-quarter of the children live in poverty and one-fifth or one-sixth of the total families live in poverty. We have the working poor and the poor who are not working. Not only members of parliament, but all Canadians whose incomes are in the top 5 per cent should not be looking for increases in their salaries. But, I say, improve their cost of living position.

● (1610)

An hon. Member: Motherhood!

Mr. Broadbent: That is a typical Liberal comment. It seems to be the history of the Liberal Party in Canada; I say that seriously. The Liberal Party in Canada, particularly since Mackenzie King, has said that we need progressive income tax measures. They say: Let us have that. Let us permit trade unions to exist, and let us do a number of things along these lines; then we can really overcome inequality. However, it has not worked. It did not work in Mackenzie King's time and it has not worked since.

I repeat, we have almost one million children in this, one of the richest countries in the world, who live in poverty. Yet when we get up and talk about narrowing the gap in incomes, a Liberal sniggers and says "motherhood". That shows how seriously they take the problem of inequality. I know there are a number of Liberals who believe in the notion of equality, but I think most of them philosophically do not. We in this party do.

I say to all members who believe we have to do something about inequality in this country that the only way to move in that direction is for those with high incomes, whether they be in the top 5 per cent or the top 20 per cent, to say we must stop, we must hold the line in terms of our income position until the rest of the people in this country catch up. There is no better example members of parliament can set than holding the line with their own incomes. We believe in cost of living increases, but not one cent more until we have rid this land of poverty. We must take steps to get the average and lower income people into a more preferable position.

I want to make one last point in defence of the reasonable position we are arguing, namely, a non-inflationary kind of policy. Quite apart from the issue of equity or fairness of distribution of income in Canada, the point so forcibly made by the hon. member for Nanaimo-Cowichan-The Islands bears repetition by myself just by way of summary. If we want to set an example for other groups in terms of what is a fair income demand, we cannot do it by bringing in a measure to increase our own incomes by 50 per cent immediately, or by a series of amendments that would give us a minimum 33⅓ per cent increase but, by means of an escalator, very rapidly an effective 50 per cent increase. In my view, that would deeply undermine any serious effort by the government to get operational in Canada some kind of voluntary restraint on incomes policy. This is a very serious abdication of economic leadership on the part of the government.

For these reasons, we as a party will vote against this bill. We will try at the committee stage to have some amendments accepted. We hope by that time the voices of reason and justice in all parties will prevail and we will get the kind of changes to the bill which that kind of attitude would reflect.

Members' Salaries

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, may I say just a few words about what the leader of the NDP (Mr. Broadbent) has just told us. Talk about double-talk!

For the increase, against the increase: one does not know where to stand. What a series of contradictions considering the way they act with regard to other groups in our society.

Yes, the NDP are the self-appointed champions of the working class, time and time again asking that working class income be indexed. That we agree with too. But when it comes to making comparisons between the role of Parliament, that of hon. members and that of other Canadians, I feel the hon. member for Oshawa-Whitby resorts strictly to demagogy.

When it is a matter of increasing the salaries of union leaders, the NDP leader tells the House: Those poor people, we must help them.

And it is so true that they are there to come to the defence of everybody and in saying that only they can play politics—

An hon. Member: That is it.

Mr. Caouette (Témiscamingue): That is the point. They think they can draw public attention that way. It is so true, Mr. Speaker, that yesterday my colleague from Kamouraska (Mr. Dionne) made a good speech on Bill C-44. I spoke also, as did others. And this morning, let us check in the newspapers, in *Le Jour, Le Devoir, Le Journal de Montréal* or others, all report that the member for Oshawa-Whitby promised to oppose Bill C-44.

That is the news we read this morning, that is the freedom of the press: to forget to say the truth when some members spoke in favour of Bill C-44 and to give attention to those who want to practice demagogy in Canada.

An hon. Member: That is true.

Mr. Caouette (Témiscamingue): Mr. Speaker, I say that there is no comparison between a representative of the people, which the member for Oshawa-Whitby is, and other people. There is no comparison because nobody, union leader, corporation manager or what have you, must face the responsibilities of a federal—or provincial for that matter—member of Parliament.

The New Democrats of the socialist provinces of Canada, British Columbia, Saskatchewan, Manitoba, have understood this in their assemblies, because they are in power. Here, they hanker for power and therefore they do not understand anything.

An hon. Member: They will never understand.

Mr. Caouette (Témiscamingue): So much so, Mr. Speaker, that the hon. member says he agrees with the parliamentary allowance, but is against higher non taxable expenses. By how much should the allowance proper be increased, he is not quite sure, but he agrees with that. Expenses, no, we are like all the rest of the members in that respect.

[Mr. Broadbent.]

Mr. Speaker, I mentioned yesterday that a member who comes from a distant riding for instance—some come from this area and have no additional expenses—but those who come from another province, those who like ourselves come from northwest or northeast Quebec and have to maintain—

An hon. Member: Northern Ontario!

Mr. Caouette (Témiscamingue): —Northern Ontario, those who have to maintain one residence in Ottawa and another in their hometown, who have to take care of their wife and their children at home, have no family life. You will tell me that they could have refrained from being candidates, but nevertheless we felt the urge to offer people our services and I do not think the population objects to their members of parliament living decently and working freely on behalf of the people.

Mr. Speaker, renting in an apartment building here in Ottawa cost $300 or $350 a month. And you have to provide for the food expenses of your family in your riding, everybody knows that. NDP members know that too. When a wedding takes place, we are invited. When it is a wedding anniversary, we are invited again. If there is a funeral somewhere, we have to send flowers. That does not mean we have to, of course not, but if we do not want to be called tightwads, we have no choice, we feel committed toward our constituents. Mr. Speaker, there is no comparing our expenses and those of other Canadians. We are not in the same situation. Whenever there is some kind of demonstration, some collection in aid of a charity, whenever a sporting club, hockey, baseball or any other kind of club starts a fund, the first one asked to contribute is the federal or provincial member of Parliament. What do we do? A small cheque for $25, $50, $100, and so forth. Someone might say we are not forced to, and of course we are not. But if we did not do it, we would be labelled misers. So we do our large share in the community life of our constituencies.

Some hon. Members: Oh, oh!

Mr. Caouette (Témiscamingue): Someone just yawned. If he does not care about people, if it does not affect him—

Some hon. Members: He is looking after publicity!

Mr. Caouette (Témiscamingue): Well, maybe, but to play politics again, as I said before.

Since the New Democrats have been in favour of the escalation clause for a number of years, and since they have been attacking inflation also for a number of years, how can they reconcile their anti-inflation stand with their opposition to indexation to the cost of living? If we were to believe them, the federal government accounts alone for increases in the cost of living, governments and members of Parliament. I believe union leaders should also be concerned with inflation. They are responsible, as everyone else is for inflation and poverty among riches. We know there are poor people. But every time we introduce bills, as we have been doing for these last 35 years, to improve the taxpayers' and consumers' purchasing power, without increasing prices, the New Democrat members are the first to vote against us. In so doing, they

take a hypocritical stand, and they do not mind it. Because they look after the poor people, inasmuch as this gets them votes. They do not have any other use for them.

The President of the Privy Council (Mr. Sharp) urges that we refer Bill C-44 to committee, where New Democrat members may propose in amendment everything they care for. This is not asking for the impossible. In their amendment, they propose a six-month hoist.

● (1620)

The funniest thing about it is that I am convinced that they are all eager to get their raise. They are reluctant to say so. They know that members of Parliament are no millionaires. There may be some millionaires in private enterprise, but one does not become a millionaire on a parliamentary salary, that's for sure.

Mr. Speaker, a Liberal candidate in my constituency—the NDP members are not the only ones to object to salary raises—said recently on television that he was dead set against a raise for MPs. He had sent a telegram to the Prime Minister, his leader—

An hon. Member: He was defeated.

Mr. Caouette (Témiscamingue): Yes, he was defeated, and I am the one who did it. He sent a telegram to the Prime Minister who certainly received it. I think he did not act upon it, that he did not reply to his candidate. I say those things to show the inconsistency and the inconsequence of such people.

I was talking recently to a minister, the one who presides at the conventions where he is chosen as candidate. I have made him lose his deposit twice already, and he still comes back.

Recently, I spoke to the Postmaster General (Mr. Mackasey). I told him: Your candidate in my constituency is against a salary increase. He said: "Oh, it is not serious, it is only because he was not elected. Had he been elected, he would have been for the increase, like all the others." This is the answer of the Postmaster General, who presides at the Liberal convention in his constituency.

Mr. Speaker, it all depends on whether the increase is to your advantage or not. Some are afraid to take position because they are afraid to be criticized.

Yesterday, I said that the press in general was responsible for criticism among the population because the people have not been told the truth. They have not been told in detail what the increase provided by Bill C-44 entails. Yesterday, I talked about the constituency of Villeneuve; in my constituency, I also made an investigation and 90 per cent of the people replied: "Of course, we do not object to paying you adequately, because you give us the services that we expect."

Mr. Speaker, I am not afraid to support Bill C-44. I said yesterday and I repeat today that some people get more money than the members of Parliament and, if they do not get what they want, they even go on strike. People who earn $40,000, $35,000 or $30,000 a year go on strike to get salary increases and the New Democrats are the first to stand up and defend those people by asking the government to give in and accept the increases or indexations requested. Mr. Speaker, we are not opposed to civil servants getting an adequate salary. However, I object, and my colleagues also object to people, like the New Democrats, trying to rouse the population against the members of Parliament simply to attract votes during the next election. They did the same thing before the election of July 8 and, just before the election, I had told the then leader in the House—I was sitting on the other side at the time: Because of your attitude, half of your members will be returned on July 8, and you will not be one of them. On election night, he was the one who was not returned and about half the members of the New Democratic Party were reelected. Why? Because they tried cunning tricks and told the government: You will do as we tell you or you will be defeated. When people are in a minority, when they have the balance of power, those things are possible. I told them: You now have a strength you may never have again in your life. I say it again today. If they want to play politics with that, Mr. Speaker, they are 16, after the next election, in two, three, four or five years, half of their present number of members, not more than eight, will be reelected.

Mr. Speaker, electors are fed up with being told stories by people who cannot be more serious than they have been this afternoon. We hear them talk, they sound like offended virgins. I say they are not offended virgins, but whited sepulchres, in the eyes of public opinion. If they vote against Bill C-44, that is their business, but if they do so for purely political, electoral purposes, I say they are not serious, and if they are not first honest with themselves, they are not honest with Parliament, with the people of Canada. If there are poor people in Canada, let us work to help them. It is not by begging or by being without money that we will improve the lot of the Canadian people. Hon. Members should not spend two weeks studying this bill, for they must keep on working in the best interests of the Canadian people.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I begin by saying to the hon. member for Témiscamingue (Mr. Caouette) that if we oppose this bill, as the majority of the members of this party do, we are not taking that position in expectation of any political gain being made by our opposition.

Some hon. Members: Oh!

● (1630)

Mr. Orlikow: I have never believed that the hullabaloo about this issue created by the press reflected a tremendous interest on the part of thousands of Canadians. The number of letters I received in my office and the number of telephone calls to my home and my constituency office did not total more than two dozen altogether. I have had more letters and communications on other issues than I have on this one. Therefore, I do not believe the public is very excited about this question. I sent a questionnaire to every household in my constituency last January, and according to the replies that came back, substantially more than 50 per cent of the people receiving the questionnaire—which included a question on MPs salaries—indicated they supported an increase in the indemnities paid to members of parliament.

So if my party or I oppose this bill, it is not because a substantial number of people will take my opposition to it to be such that they are going to run to support me in the next election. I do not believe that for a moment. By the time the next election comes around, this question, in my view, will have been long forgotten. I oppose this bill not because I think members of parliament are not entitled to an increase to their indemnity, but because I think we have not really thought through what the increase should be or in what form we should receive it.

Members of parliament are faced with the same problems as every other Canadian citizen as a result of the sharp increases we have experienced in the cost of living during the last couple of years. I believe, therefore, as I have said, that some increase is justified. But we should keep in mind that members of parliament are already among the top 5 per cent income earners in this country. A look at the daily newspaper in any city of Canada very quickly reveals that all of the traditional income relationships between the various groups in Canadian society, such as the blue collar workers, the white collar workers, professional people, teachers, lawyers, doctors, are under attack. These income relationships are disappearing. We see groups in Canadian society who a few years ago would have recoiled in horror had anyone suggested that they were part of the labour force of this country.

Groups of nurses in my city two weeks ago set a deadline for a strike unless they received a pay increase of about 50 per cent. Doctors in the province of Manitoba working in psychiatric hospitals and other institutions have set a strike deadline; they may have gone on strike today. High school teachers in Ottawa have been on strike for more than four weeks. Why is all this happening, Mr. Speaker? Are these groups asking for too much? I do not know, because I have no way of judging; but I believe they are simply reacting to the free enterprise system under which we live, which teaches every one of these groups in the country: Look out for yourself because nobody else will protect you.

In the three years between 1972 and 1975 we have witnessed extraordinary increases in the profit margins of the corporations of this country. I should like to quote a few examples taken from the *Globe and Mail*, which nobody would accuse of being a very radical organ of public opinion. According to its issue for November 19, 1974, for the first nine months of 1974 profits of all industries increased by 36.2 per cent over the same period in 1973. Profits in 1973 were as much ahead of 1972 as the profits in 1974 were ahead of the profits of 1973. So if all companies had increased profits of 36.2 per cent, is it any wonder that teachers, postmen, letter carriers, nurses and firemen are asking for a 40 per cent increase? They are taking an example from people who have made substantially more than them.

Then on December 24, 1974, the *Globe and Mail* followed up its article by giving some examples of profit margins of different groups. Oil company profits for the first nine months of 1974 were up by 103 per cent over the same nine months of 1973. Chemical companies' profits were up 118 per cent in 1974 over 1973. Paper and forest companies' profits were up 78 per cent in the first nine months of 1974 over the same period of 1973. Imperial Oil, a corporation which I assume will be getting a $2 or $3 increase this week in the price of a barrel of oil, showed a profit in the first nine months of 1974 of $252 million, almost $100 million over the profit for the first nine months of 1973 when it made only $154 million!

As I say, Mr. Speaker, is it any wonder that these groups are asking for increases in their wages and salaries? I am surprised they have not asked for more. Last year the cost of living rose by over 12 per cent. Thus we have a situation where we have very large wage and salary demands in both the private and public sectors of the Canadian economy, since workers are trying very hard to catch up or perhaps get a little ahead. That is a fact with which we have to live.

Let us look at what is happening to the people employed by the federal government. I am struck by the vast difference in the way in which the government deals with employees in the upper levels compared with those in the lower levels. At the top of the range, the maximum salary for a deputy minister was recently raised from $50,000 to $60,000. At the top, I find that more than 4,000 public servants receive a salary of $25,500 or more a year. There were 2,000 public servants who in 1974 earned $18,000 a year and more and were permitted to earn overtime pay, some of them as much as $5,000 in the year. The number of SX employees grew from about 350 in 1968 to almost 900 in 1973. That shows the way the government has created employees at the top—generously.

So far as lower levels of employees are concerned, the low and middle income earners, the government has been tough. The President of the Treasury Board (Mr. Chrétien) was quoted as saying one evening on television that there would never be a Chrétien formula like the St. Lawrence Seaway formula, that he was going to protect the people of Canada against excessive wage and salary settlements. He stuck to his guns, and the federal public servants who belong to the Public Service Alliance of Canada went on strike and stayed on strike for weeks. They eventually got an agreement which gave them an increase in the neighbourhood of 29 per cent over the next 26 months. This is not much more than the increase in the cost of living and is probably not much more than the increase will be next year.

● (1640)

I believe there is a very fundamental, completely unfair and unwarranted difference in the way the government deals with senior public servants and those at the lower levels, just as there is a vast difference in the way the Minister of Finance (Mr. Turner) permits corporations to make excessively large profits and then appeals to the average Canadian to exercise restraint in wage and salary demands.

The proposal in reference to this increase for members of parliament is in the same vein as those that have been made for senior public servants. I agree that an increase is warranted and I say parenthetically, if we get an increase, I will spend it. However, is the size of the proposed increase warranted? I do not believe it is warranted, any more than the increases given to senior public servants and members of the private sector, senior executives and shareholders, were warranted. The proposed increase

should have been of a more modest nature. I go along with the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who suggested that the increase should be calculated from the time of the last election.

It is my belief now, as it has been since I came here, that there can be no justification for any tax-free allowance for members of parliament. To my knowledge, no other citizen is permitted an allowance for which he does not have to account. This proposal is wrong for that reason, and it is wrong because it is unfair as between members of parliament. Let me explain what I mean by that. There is a vast difference in the amount of my expenses, coming from an urban riding, and the expenses of the hon. member for Churchill (Mr. Smith), for example, whose constituency encompasses more than 50 per cent of the province of Manitoba. The expense of a chartered aircraft, which is the only way he can get into isolated communities, is prohibitive. His expenses are probably small when compared to the expenses of my colleague, the hon. member for Northwest Territories (Mr. Firth).

I have always believed that the tax-free allowance ought to be wiped out and that members of parliament should perhaps have an allowance for which they must account through vouchers, or they should be permitted to deduct legitimate expenses in calculating their income tax, just as in the case of self-employed persons.

I am opposed to percentage increases across the board, and I know in that regard I am in disagreement with friends and colleagues in the labour movement with whom I have worked for many years. A percentage increase across the board works simply to widen the gap between citizens in this country. As an illustration of what I mean, I refer to the circular which members of parliament received some weeks ago outlining increases in the wages and salaries of people working for the House of Commons. I do not have the document before me, but I remember the broad outline. As I remember it, all members of the House of Commons staff received an increase of between 10 per cent and 11 per cent. That means that the people who work in the cafeteria or the restaurant received an increase of probably $500 or $600 a year, whereas some of the senior people got an increase of between $3,000 and $4,000, or perhaps even higher.

It is this kind of proposal which I believe is fundamentally wrong, in that all it does is widen the income gap between people at the lower levels and those at the top. For the same reason, I do not believe that members of parliament, who are in fact among the top 3 per cent or 4 per cent of income earners in this country, should get a full cost of living increase. If we are seriously trying to respond to the inflationary spiral in which we find ourselves, surely we should be worrying about the people at the lower end of the income scale. If anybody should get a full cost of living increase, they should. If people at the upper levels of the income scale get a cost of living increase, it should not be the full increase in the cost of living. The people of Canada want this country to move toward greater equity than we have seen in recent years, and what we are doing with this increase for members of parliament, as well as increases for people in the public and private sectors, is widening the income gap.

I should like to make one more point before sitting down. It seems to me ridiculous, to say the least, to be discussing the proposal before us today at a time when the Minister of Finance tells us, as members of the radio, television and news media have told us, he is meeting with leaders in industry and agriculture as well as provincial premiers and labour leaders in an attempt to obtain a consensus in respect of a policy of restraint to deal with inflation. I have never believed that a voluntary or a legislated policy of wage and price controls could work. You cannot deal with inflation, which is a worldwide phenomenon, through a system of wage and price controls. That is what the official opposition advocated during the last election campaign, and apparently that is the line the Minister of Finance is trying to adopt today.

It is ridiculous for the Minister of Finance to be preaching a policy of restraint and urging labour leaders to convince their members to show restraint, when at the same time members of parliament are engaged in a debate regarding an increase in their indemnity far higher than the increase any group of workers has been able to get through negotiation or strike. This is particularly ridiculous at a time when our labour leaders have been having a difficult time getting their rank and file members to ratify some of the best offers or agreements they have ever been able to negotiate, because they felt they were not enough and they have been on the short end of the stick for too long.

● (1650)

I do not believe the consensus the minister is looking for can be achieved. I do not believe he can obtain that consensus from labour, from industry, from the agricultural community and from the provincial governments. In other words, I do not believe that consensus can be fully implemented. Having said that, it seems to me that for parliament to agree to such a large increase as that proposed would make a mockery of the whole appeal for restraint. I believe we ought to be looking toward greater, rather than less, equity. Therefore, I simply cannot vote for the proposal before us.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, when I talk to people about parliament and its function, one of the things that immediately comes up in the conversation is the matter of governing the country. Inherent in this is the provision of some kind of leadership. We hear from the Minister of Finance (Mr. Turner) that inflation is getting out of hand and he is attempting to arrive at a consensus between workers, business and other groups in order to restrain the runaway demands which various sectors of the economy are making. At the same time the minister is doing this, the 264 members of this House, who are supposed to be governing and providing some kind of leadership, are asking for a wage increase that can only be interpreted by the people as highly inflationary.

I fear that the result of the passage of this bill,—and it will pass because of the Liberal majority—will be that the workers, unionized and non-unionized, will say that if members of parliament can do it, so can they. In other words, if those who are supposed to provide some kind of leadership in this country originally asked for 50 per cent and settled for a compromise of 33⅓ per cent and the

yearly escalation, which by the end of this parliament will give us more than the original 50 per cent, how can we expect, in all honesty, that the workers of this country will accept any kind of consensus proposal by the Minister of Finance?

I think that this bill and the response of the Liberal, and indeed the Conservative, members is an indication that there is a belief on their part that there is no chance of beating inflation in this country; that things are out of hand and it is a case of every man and woman for himself or herself. It would seem that the idea is to make as high a demand as possible, stick to it and gain a salary or wage increase that will insulate one from a worsening inflationary situation because this government has abdicated its responsibility to halt inflation.

Having in mind the debate on the legislation to send the railway workers back to work during the twenty-ninth parliament, and also having in mind some of the comments one hears from members of parliament in this House during the question period and other debates, it would seem that some members are outraged by the demands the working people make and point the finger at them as contributing to inflation. I find that on the whole, up until now the workers primarily are asking for one of two things, either a catch-up settlement because they are behind other workers in society, or a cost of living increase to make up for the loss in real wages because of inflation, as well as an insulator for projected inflation; because we hear projections that even though the cost of living went up 12 per cent last year, there will still be two-digit inflation in the year ahead. So it is logical, if the buying power of wages declined 12 per cent last year and there is a prediction of another 12 per cent this year, that the workers should ask for a cost of living increase.

When I ask my constituents what they think about a wage increase for members of parliament and mention that the last increase was in 1970, they agree that we should not have to fall behind. That is why the New Democratic Party has put forward a proposal that we should receive a salary increase based on the increase in the cost of living since our last wage adjustment in 1970. It is also the reason that back in December we so vigorously opposed the government's attempt to bring in a 50 per cent wage increase. Our opposition in the House, plus general public outrage, forced the government to back down.

Now, however, when we look at the so-called compromise, or backing down, we find that the 33⅓ per cent will be on the full amount of $26,000 which represents the basic wage of $18,000 plus another $8,000 for expenses. We also hear that the government will propose amendments to cover a yearly increase in our salaries based on the industrial composite wage index. As I said earlier in my remarks, we will in the long run receive more under that formula than under the original formula. The position of the New Democratic Party is that just as workers should legitimately demand a cost of living increase, so should members of parliament. That is why we propose a salary adjustment from 1970 based on the cost of living increase, which is somewhat less than 30 per cent; but we say the increase should be on the basic salary of $18,000 and not on the amount of $26,000 as proposed by the government.

[Mr. Symes.]

One might ask why there should not be an increase in the $8,000 expense allowance. Other members of my party outlined this very clearly, but I wish to mention briefly that so many of the services we previously paid for are now provided by the government while at the same time we still have the tax-free amount of $8,000. We now have a constituency office which is paid for. We have a constituency secretary whose wages are paid by the government. We also have free newsletter mailing four times a year. This is a privilege we did not have in earlier parliaments. Also, our plane fare once a week to our riding is paid by the government. So we say the tax-free $8,000 is sufficient to take care of the legitimate expenses of a member of parliament in serving his constituents.

The point that the government makes is—and I listened to the arguments put forward by government members—that our expenses have gone up and therefore the expense allowance should increase. The point is also made that we need higher salaries in order to attract well qualified people to political office. I find that a rather condescending attitude. The suggestion would seem to be that the best kind of people for the Parliament of Canada, representing 22 million Canadians, are those in the upper-income professions such as businessmen, lawyers, doctors, and so on.

● (1700)

It is suggested that these people sometimes have better political know-how and common sense than ordinary working people who may be making a wage of $10,000 or less. I have listened to debates in the House in which professionals such as lawyers, doctors, businessmen and academics have taken part, and I have often concluded that if we had more ordinary working people in the House, we would have more common sense in our debates than we have had so far this session.

So I reject totally the argument that we must have high salaries to attract a certain kind of person to run for political office. By running for office, we as members of parliament accept, I should hope, the principle of sacrifice for public office from the point of view of the demand that is made on our time, the demand that is made on our family life and the demand on our income. I think we must realize that this is a service and is not something that should have attached to it the remuneration for some other type of work. How can you measure what an MP should be worth compared with members of other professions? I think we would be remiss if we forgot the idea of dedication to public life and what that entails.

I think that this bill also points out a larger issue, that is, the issue that concerns members of my party: it is not, as the hon. member for Winnipeg North (Mr. Orlikow) said, that we expect any political advantage, come election time, from our stand; it will be forgotten by the electorate by 1978. But the fact is that there is an important principle at stake in this whole issue of salary increases for members of parliament. We in this party believe that it is the responsibility of a democratically elected government, a government representing the rich, the middle-income people and the poor in this country, to try to narrow the gap, to reduce the inequality between the wealthy and the poor, and to try to provide a better life for those less

fortunate who are in this situation often through no fault of their own.

The average worker in 1974 was making only $8,677 a year, yet I hear my colleagues saying that they need an increase which will bring their salary to $39,000 a year. Many of the arguments are legitimate because our lifestyles are different, but I still think that we are failing if we concentrate on the income of members of parliament and ignore narrowing the gap between the rich and the poor in this country. Our tax system has not narrowed the gap; and despite all the claims of the Liberal government that they are bringing in tax relief, it has not happened. We have five million Canadians living below the poverty line, and I think we have a responsibility to them as well as to ourselves to set some kind of example and to institute some kind of reform in our tax system. In 1970, 46 per cent of Canadian families earned less than $8,000 a year, 61 per cent of Canadian families earned less than $10,000 a year, and 86 per cent earned less than $15,000 a year. I think we have a responsibility to them and not just to ourselves with regard to our salaries.

The failure of the government to redistribute wealth through our tax system places an additional burden on people in low income groups, as does the failure of this government to control inflation. Here we are saying, well, we are suffering from inflation but the difference is that we can do something about it for ourselves. We could do something about it for these people as well if the government had the courage to reform our tax system and the way in which wealth is distributed in this country. It does not do that, but it says that members of parliament must be protected. This is really following the philosophy of the capitalist system, that everybody is out for himself and the strong survive; the strong make claims, but the weak perish; that once in a while a token gesture can be made to keep the poor and disadvantaged quiet, and that is all that is necessary.

Corporations in this country can raise prices without justification. Don't tell me that there is a free market economy and competition to keep prices down, when we are into the stage of monopoly control. So corporations can increase prices without justification; but workers, when they want increased wages, have to justify it and bargain for it, both union and non-union workers—especially non-union workers, who are in a very weak position. Yet members of parliament who want a salary increase are not like the majority of Canadians. With whom do we bargain? We bargain with ourselves. Like the professional groups of doctors, lawyers and businessmen, we set our own prices, our own salaries, our own fees.

I say that is wrong, that no one should have that kind of unlimited power. That is why, if we are following the principle of bargaining which most people have to accept, one of the functions of the opposition is to stand up and make members justify a wage increase. We in the opposition are asking the government to bargain, to make their point as to why members need the kind of increase that the government is proposing. When we examine their arguments, we find them inadequate.

My parliamentary leader and other speakers from our caucus have outlined why we think it is unreasonable and inappropriate at this time to have a 50 per cent increase or a 33⅓ per cent increase based on $26,000. We have asked the government to justify this increase. Their arguments fall far short. We are in a period of almost runaway inflation; the government has failed to control it. We are at a time in our history when we have to show some leadership, some restraint so that we can expect others in our society to co-operate and restrain what I think are legitimate demands because of the failure of this government to control inflation.

I say that we are setting a very bad example and a dangerous one. More contracts are coming up for renegotiation in this year than in many previous years, and every worker in this country will say, "Members of parliament received a large increase. What makes them so much better than me? I will demand it as well". I predict that we will have a problem in the House a few months hence, and that we will be in the odious position of limiting the legitimate demands of workers while at the same time accepting this outrageous proposal by the government. A cost of living increase is justified, but we cannot accept or justify the proposal in this bill.

● (1710)

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Call in the members.

The House divided on the amendment (Mr. Knowles (Winnipeg North Centre)) which was negatived on the following division:

● (1720)

(Division No. 27)

YEAS

Messrs.

Benjamin	Douglas	Orlikow
Brewin	(Nanaimo-Cowichan-	O'Sullivan
Broadbent	The Islands)	Peters
Cossitt	Knowles	Saltsman
Darling	(Winnipeg	Symes
	North Centre)	Towers—13.

Members' Salaries

NAYS

Messrs.

Abbott
Alexander
Allmand
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Baldwin
Basford
Bawden
Beatty
Beaudoin
Béchard
Bégin (Miss)
Blais
Boulanger
Brisco
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caouette
(Villeneuve)
Caouette
(Témiscamingue)
Caron
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Daudlin
Dick
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Ethier
Fairweather
Faulkner
Firth
Fleming
Forrestall
Fortin
Foster
Fox
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Gillies
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Halliday
Hamilton
(Swift Current-
Maple Creek)
Herbert
Hnatyshyn
Holmes
Hopkins
Howie
Huntington
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Landers
Lang
Laniel
Lapointe
Laprise
La Salle
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle
(Chambly)
MacDonald
(Cardigan)
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacGuigan
Mackasey
MacLean
Macquarrie
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Martin
Masniuk
Matte
McCain
McCleave
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Neil
Nielsen
Nowlan
Oberle
O'Connell
Olivier
Parent
Patterson
Pearsall
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Philbrook
Poulin
Prud'homme
Railton
Raines
Reynolds
Richardson
Ritchie
Roberts
Robinson
Roche
Rompkey
Rondeau
Schellenberger
Schumacher
Sharp
Skoreyko
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Stollery
Tessier
Trudel
Turner
(London East)
Watson
Whiteway
Wise
Woolliams
Yanakis
Young—170.

● (1740)

Mr. Speaker: I declare the amendment lost. The question is on the main motion. Is the House ready for the question?

Some hon. Members: Question.

[The Acting Speaker (Mrs. Morin).]

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those against will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. Is it agreed that we proceed directly to the taking of the vote?

Some hon. Members: Agreed.

The House divided on the main motion (Mr. Sharp) which was agreed to on the following division:

(Division No. 28)

YEAS

Messrs.

Abbott
Alexander
Allmand
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Baldwin
Basford
Beaudoin
Béchard
Bégin (Miss)
Blais
Boulanger
Brisco
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caouette
(Villeneuve)
Caouette
(Témiscamingue)
Caron
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Daudlin
Dick
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Ethier
Fairweather
Faulkner
Firth
Fleming
Forrestall
Fortin
Foster
Fox
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Halliday
Hamilton
(Swift Current-
Maple Creek)
Herbert
Holmes
Hopkins
Howie
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Landers
Lang
Laniel
Lapointe
Laprise
La Salle
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle
(Chambly)
MacDonald
(Cardigan)
MacDonald
(Egmont)
MacEachen
MacGuigan
Mackasey
MacLean
Macquarrie
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Martin
Masniuk
Matte
McCain
McCleave
McGrath
McIsaac
McKenzie
McKinley
McRae
Milne
Morin (Mrs.)
Munro
(Hamilton East)
Neil
Nielsen
Oberle
O'Connell
Olivier
Parent
Patterson
Pearsall
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Philbrook
Poulin
Prud'homme
Railton
Raines
Reynolds
Richardson
Ritchie
Roberts
Robinson
Roche
Rompkey
Rondeau
Schellenberger
Schumacher
Sharp

Messrs.

Skoreyko	Stewart (Cochrane)	Watson
Smith (Saint-Jean)	Stollery	Whiteway
Stanfield	Tessier	Wise
Stevens	Trudel	Woolliams
Stewart (Marquette)	Turner (London East)	Yanakis
		Young—160.

NAYS

Messrs.

Bawden	Friesen	McKinnon
Beatty	Gillies	Munro (Esquimalt-Saanich)
Benjamin	Hargrave	Nowlan
Brewin	Hnatyshyn	Orlikow
Broadbent	Huntington	O'Sullivan
Caccia	Knowles (Winnipeg North Centre)	Peters
Cossitt	MacDonald (Miss) (Kingston and the Islands)	Saltsman
Darling		Symes
Douglas (Nanaimo-Cowichan-The Islands)		Towers
Elzinga		Whittaker—27.

Mr. Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Miscellaneous Estimates.

Bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

* * *

● (1750)

BUSINESS OF THE HOUSE

Mr. Baldwin: Before Your Honour sees the clock approaching six, I should like to ask the government House leader what he proposes to put before us tomorrow.

Mr. Sharp: Mr. Speaker, I should like to put as the first order of business tomorrow the amendments to the Farm Credit Act, Bill C-34. If we dispose of that we might get back to Bill C-13.

At 5.54 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 10, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

PROPOSAL TO ASCERTAIN REASON FOR REDUCTION IN CAPITAL SPENDING IN CANADA BY UNITED STATES AFFILIATES—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise on a matter of urgent and pressing necessity. The matter arises from a United States commerce department survey indicating that Canadian affiliates of U.S. controlled corporations will be reducing the real level of their capital investment spending in 1975 to a level far below that which would be indicated by the latest Statistics Canada survey. In view of the great importance of capital investment by U.S. affiliates to the Canadian economy as a whole, and, in particular, to the finance minister's supply increase strategy, I move, seconded by the hon. member for Don Valley (Mr. Gillies):

That this House instruct the Minister of Industry, Trade and Commerce to ascertain forthwith whether U.S. affiliates plan to reduce capital investment in Canada and to enquire amongst his counterparts in the United States why such a reduction would occur; and further, that this House instruct the Secretary of State for External Affairs to discover any changes that may have been made in the policy of the United States government towards the investment intentions of U.S. affiliates in Canada.

Mr. Speaker: The motion is present pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

SUGGESTED FEDERAL SUPPORT OF CANADIAN EGG MARKETING AGENCY—MOTION UNDER S.O. 43

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I rise under the provisons of Standing Order 43 to propose a motion regarding the announcement of the agreement reached between the federal Minister of Agriculture and his provincial counterparts on measures to give the Canadian Egg Marketing Agency greater control over production and marketing of eggs. I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House instruct the Minister of Agriculture to provide all the necessary support and assistance to the Canadian Egg Marketing Agency to ensure that it will carry out its new powers with greater efficiency and render the destruction of eggs as a thing of the past.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

SUGGESTED PUBLIC INQUIRY INTO STATEMENTS BY FRENCH MILITARY AUTHORITIES CONCERNING BOARDING OF "GREENPEACE III"—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I also would move a motion pursuant to Standing Order 43 on a matter of urgent and pressing necessity. In view of the statement by the Secretary of State for External Affairs (Mr. MacEachen) yesterday that no conversations took place between Canadian and French authorities on the question of Canadian retaliation, or lack of it, in the illegal boarding of the *Greenpeace III* by French authorities, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That a public inquiry be held into these most serious allegations made by French military authorities in this matter, and that that inquiry be conducted pursuant to the Inquiries Act.

Mr. Speaker: This motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—GOVERNMENT ACTION TO SETTLE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Acting Prime Minister in the absence of the Minister of Labour. I wish to ask about the strike of stevedores which is tying up the ports of Montreal, Three Rivers and Quebec. Can the

Acting Prime Minister now tell the House, following a series of very vague responses to questions in the last few days, whether any initiatives are being taken to promote a settlement of the dispute which has been leading to the tie-up, and what are those steps?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the steps that can be taken under the existing legislative authority are being taken. We have not reached any decision to go beyond that at the present time. Steps are also being taken to see what can be done to reduce the interference that is taking place in the movement of grain out of these terminals in areas that are not related to the dispute itself. I cannot describe as yet what the success of those measures will be because they are just getting underway.

● (1410)

Mr. Stanfield: Mr. Speaker, I am sorry the Minister of Labour is not here as he presumably has more direct knowledge of these things than the government House leader. Am I correct in interpreting the minister's answer as an indication that the government is considering certain courses but is actually taking no initiative with regard to promoting a settlement of this dispute at the present time?

Mr. Sharp: Mr. Speaker, the government is taking the measures it ordinarily takes under the law in order to promote a settlement, but it is not proposing to ask parliament to take extraordinary action at the present time. However, there are two aspects to this dispute, as the Leader of the Opposition probably knows. One aspect relates not to the movement of grain into the ships that would be under the control of the longshoremen, which is affected by the dispute, but to the movement of trucks to the elevators to pick up feed grain for the farmers in the area. We are examining this now to see what steps can be taken which would enable that movement to continue.

STRIKE OF LONGSHOREMEN IN QUEBEC—GOVERNMENT POSITION ON RECOMMENDATIONS OF JUDGE GOULD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the fact that when the grain handlers' dispute arose last year the government moved right in, endorsing and urging acceptance of the Perry recommendations, even while negotiations were going on, is the government proposing to engage in the same kind of intervention now by endorsing the Gould recommendations and, if not, what is the difference between the two situations?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it would be advisable to continue with the mediation efforts which are now underway.

[Mr. Stanfield.]

GRAIN

INQUIRY WHETHER DIVERSION OF SHIPMENTS FROM WEST COAST TO EAST COAST PART OF CATCH-UP CONTINGENCY PLAN

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the minister in charge of the Wheat Board. On February 26 the minister announced he was looking at "a number of plans" to move grain "with an attempt to catch up as quickly as possible" after the strike ends, and that reference was to the strike on the west coast. In view of the announcement by the Wheat Board a few days ago to cut grain shipments destined through the Port of Vancouver by 10 million bushels a month and redirecting this amount through the St. Lawrence and the Maritimes, would the minister advise the House whether this is part of the contingency plans to which he referred on February 26?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would like to check the exact proposition to which the hon. member refers as it has not come to my attention. The fact of the matter is that the contingency plan for the period after the strike was one involving a maximum effort on the part of the railways to put as many cars into the west coast as possible, and a maximum effort on the part of the terminals there to unload for more hours than usual and to clean on an around the clock basis. These efforts have been putting a record volume of grain particularly through the Port of Vancouver, and very remarkably reducing the number of ships waiting there in quick order.

Mr. Fraser: Mr. Speaker, the Canadian Wheat Board announced on April 3 that because of labour problems at the Port of Vancouver shipments would be diminished by 10 million bushels a month. I would ask, first, if the minister is aware of this and whether this is now the policy of the Wheat Board, because the answer the minister has just given the House would appear to indicate that the Wheat Board is making announcements of which the minister is not aware?

Mr. Lang: That is right, Mr. Speaker. That can happen quite frequently, of course, because the Canadian Wheat Board is in fact a very independent organization, which hon. members opposite seem to forget whenever it is to their advantage to do so.

Some hon. Members: Hear, hear!

Mr. Lang: I do not, nor did my predecessors as ministers, try to run the operations of the Wheat Board or interfere with its management, and that has certainly been the very firm practice of this government. I would suggest that the statement that somehow labour difficulties could lead to the diminution of the throughput out of the west coast is a very strange one in view of the fact that the reports which have been sent to me in the last three or four days show an increase in unloadings to the neighbourhood of 650 to 690 carloads a day, which is a near record performance.

Mr. Fraser: Mr. Speaker, I would ask the minister whether he will undertake an investigation to determine whether there is to be a diminution of 10 million bushels a

month through the Port of Vancouver and report back to the House as soon as he has found out what the situation really is?

Mr. Lang: That is one service I am always very glad to perform. I will check into the matter with the Canadian Wheat Board and report back as soon as possible.

* * *

PUBLIC SERVICE

DISPUTE WITH LETTER CARRIERS—GOVERNMENT POSITION ON CONCILIATION BOARD REPORT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the President of the Treasury Board I should like to direct my question to the Postmaster General or the acting Prime Minister. In view of the fact that the conciliation board appointed to deal with the dispute between the letter carriers union and the government has now made a report, has the government reached a decision about whether to accept the recommendation contained in the majority report of the conciliation board?

Hon. Bryce Mackasey (Postmaster General): Well, Mr. Speaker, I think upon reflection the hon. gentleman would appreciate the fact there is no indication as yet that the union has accepted the conciliation chairman's report as it is written.

Mr. Orlikow: Mr. Speaker, in view of the fact that the letter carriers union will be in a legal position to strike on Monday next week, and in view of the tremendous difficulty such a strike would create, would the minister consider making public the response of the government by the weekend so that the union can be encouraged to give sympathetic consideration to that majority report?

Mr. Mackasey: Mr. Speaker, I must emphasize that there is no majority report. There is the chairman's report which the union accepted with an addendum which changes basically the union's position beyond that of the chairman. Between now and Monday I am sure the talks will continue between the union and the bargaining team of the government, or Treasury Board or the Post Office or whatever, and when it is appropriate to make a public statement then I am sure one will be made.

Mr. Speaker: The hon. member for Winnipeg North on a final supplementary.

Mr. Orlikow: Mr. Speaker, in view of the fact that when conciliation board reports of a similar nature have been made the government has accepted the recommendations when it suited it, I appeal again to the minister to indicate publicly if the government is prepared to accept as a basis for settlement the recommendation of the chairman or if not what guidelines the government is prepared to accept in order to avoid, not just this strike, but any other strikes which have had and will have some serious effect upon the people of Canada as a whole?

Mr. Mackasey: Well, Mr. Speaker, I do not want to appear obstinate—

Mr. Knowles (Winnipeg North Centre): You are doing a pretty good job.

Mr. Mackasey: —but there is bargaining. There has been continuous bargaining with this particular union since January and we have established a very good relationship with it. We have no intention of jeopardizing this by making a revelation in the House of Commons. I think the union should be the first to know if and when we are ready to declare our final position.

POSTAL WORKERS—DATE OF GOVERNMENT REPLY TO UNION PROPOSALS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary which relates to the question I asked the Acting President of the Treasury Board yesterday. Could he now indicate when the Treasury Board will be making a response to the representation of the CUPW union with regard to negotiations taking place in this important area of postal services?

Hon. C. M. Drury (Acting President of Treasury Board): Mr. Speaker, the plan is to endeavour to speed up negotiations in respect of this particular contract which have not been progressing perhaps as rapidly as they should. It is our intention to endeavour to make these move more rapidly.

* * *

[*Translation*]

COMMUNICATIONS

CABLEVISION—ALLEGED FAILURE TO KEEP PROMISE TO PROVINCES OF CONSULTATION

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

Last month, the CRTC announced hearings would be held in the spring on the legislation which the federal government intends to pass on teledistribution and cablevision. This has prompted the Ontario Minister of Communications, supported by the Quebec and Manitoba ministers, to denounce this step as being an undue and exasperating intrusion into provincial affairs, especially since the federal government had promised preliminary consultations with the provinces. My question is as follows. Since there seems to be some inconsistency between the proposed consultation and the CRTC statement, can the Minister of Communications make a report on the matter and tell the House the position of his department in this regard and if there is any new development?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I can try to enlighten the hon. member as briefly as possible on a matter which, I admit, has rather complex aspects. But first of all, I think the hon. member is not well informed. The CRTC will not hold any hearing on legislation. The CRTC holds hearings on certain matters regarding cable diffusion under powers the Broadcasting Act gave to it. Those hearings will be held in June.

I have stated in the House the other day that I had offered the provinces, under certain circumstances and according to a certain agenda, to hold a federal-provincial conference with provincial ministers of communications. I am pleased to be able to announce that the provincial ministers of communications have endorsed the agenda. We have reached an agreement, and the conference will be held on May 13. To conclude, a third point, Mr. Speaker: there is no conflict between the Broadcasting Act and the hearings the CRTC wants to hold. Indeed, it is under the Broadcasting Act and on its own right that the CRTC has planned those hearings. It is because the Broadcasting Act takes into account the exclusive federal jurisdiction over broadcasting in general and on cable diffusion in particular. As for the negotiations or discussions we must have with provinces, they will not deal with jurisdictional transfers, but could lead to agreements under which the provinces' point of view on communications problems could be better respected.

* * *

● (1420)

CANADIAN BROADCASTING CORPORATION

ALLEGED FAILURE OF CORPORATION TO INCLUDE ALL FRENCH CANADIANS IN ST-JEAN-BAPTISTE CELEBRATIONS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question for the Minister of Communications.

The minister has just stated that there will be meetings and consultations in June concerning radio broadcasting. Also in June, French Canadians in Quebec will honour their patron saint, Saint-Jean-Baptiste. We have just received a leaflet entitled *Québec Fête* and signed by Mrs. Lise Payette. Is the minister aware that Mrs. Payette is announcing now that, to really make something out of the June 24 celebrations, she will invite sport and TV stars, as well as political personalities both at the municipal and provincial levels, to take the first turn. Time will show. However, Mr. Speaker, my question is this: Will the minister allow a small organization which claims that there are French Canadians in Quebec and nowhere else in Canada, to use the CBC broadcasting facilities? Mr. Speaker, it is about time the minister take a stand and state here and now, as I hope he will, that the federal government will not let this Montreal gang dictate its actions.

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the only reply I can make to the hon. member is that it is about time he realized, after some two and a half years, that I am no longer the Secretary of State.

* * *

[*English*]

FINANCE

SUGGESTED EARLIER DATE THAN END OF MAY FOR BUDGET

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Acting Prime Minister. Given the fact that in the discussions that are taking place currently between the first ministers and the Prime Minister about the price of oil and gas it is clear that one of the major stumbling blocks is the tax regime that was created and the budget brought down by the federal government last fall, is the government prepared to revise its timetable and introduce the federal budget earlier than on the proposed end of May date that has been put forward so far?

Hon. Mitchell Sharp (Acting Prime Minister): I have no reason to think that my colleague would wish to change that date. I believe that it is important that the budget be well prepared and take into account a thorough review of economic conditions and prospects. I see no reason to change that date on the basis of the suggestion made by my hon. friend.

Mr. Gillies: Again, Mr. Speaker, to the Acting Prime Minister—

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member for Témiscamingue seeks to rise on a question of privilege or on a point of order. The rules adopted by the House and which came into effect this week require that questions of privilege and points of order be postponed till three o'clock. I shall recognize him for his question of privilege or point of order at three o'clock this afternoon.

[*English*]

ALLEGED INABILITY OF PROVINCES TO AGREE ON NEW OIL PRICE UNTIL BUDGET INTRODUCED

Mr. James Gillies (Don Valley): Given the fact that several first ministers, and particularly the premier of the province of Alberta, have already stated that it would be very difficult for that province to come to any kind of satisfactory agreement with respect to prices until the new budget is down, is the Acting Prime Minister therefore saying today that the federal government is taking the position that no agreement is necessary until after the end of May?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it would greatly facilitate a decision in this matter if the House could proceed as quickly as possible with the Petroleum Administration Act which would give the government the necessary authority to deal with prices of oil and gas.

Mr. Gillies: Is the Acting Prime Minister therefore saying that the federal government has given up any hopes of arriving at an agreement without going to the bill to which he is now referring?

Mr. Sharp: No, Mr. Speaker, but I think the hon. member will recall that the premier of Ontario felt that it might be desirable to have that bill passed as quickly as possible and urged upon this House, and particularly upon his own party, the desirability of such action.

EXTERNAL AFFAIRS

VIET NAM—INQUIRY WHETHER PROVISIONAL REVOLUTIONARY GOVERNMENT ADVISED CANADA WILL CONTINUE TO EXTEND HUMANITARIAN AID

Mr. Douglas Roche (Edmonton-Strathcona): My question, Mr. Speaker, is for the Secretary of State for External Affairs. Has the Canadian government indicated to the provisional revolutionary government in Viet Nam that Canada will extend humanitarian aid to the victims of the war irrespective of where they live in Viet Nam so that the airlift of orphans and children can cease to be regarded as a principal instrument of our help? If this communication took place, what was the response of the PRG?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker, we have not made any such approach to the PRG. We have no diplomatic or other relations with the PRG. We are operating through the recognized international agencies, and through these agencies it is impossible to have humanitarian assistance directed to the areas in need in that troubled country. I do not think the approach suggested, in the circumstances, is necessary.

VIET NAM—POSSIBILITY OF APPOINTING CO-ORDINATOR OF ASSISTANCE AND INCREASING AMOUNT

Mr. Douglas Roche (Edmonton-Strathcona): Recognizing the willingness of the Canadian government to work through international agencies, specifically the U.N., has the Canadian government appointed a co-ordinator of Viet Nam humanitarian assistance so that the government of Viet Nam, whoever controls it, will be aware of our willingness to spend that $6.25 million announced previously for the good of people in Viet Nam, and will that aid be increased?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): With regard to the second part of the question, I indicated when the initial announcement was made with respect to the $6 million plus assistance that we were assessing the need and future needs, and it may well be that we will be required to increase that assistance.

With regard to the first part of the question, I do not see the need at the present time of appointing a particular co-ordinator to administer this aid. We are in touch with the international agencies, and if the time comes when a different approach is necessary, we will consider it, but in the meantime we are getting our aid distributed in the most effective possible way.

VIET NAM—OFFER OF AID BY CANADIAN FRIENDS OF CHILDREN OF VIET NAM—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am wondering if the minister has been made aware, either by his department or directly by an organization called the Canadian Friends of Children of Viet Nam, that they now have undertaken by agencies to supply 100 tons of dehydrated food which can be shipped by commercial lines to Hong Kong and then by military charter flights into Viet Nam. Has he been made aware of that, and has he turned down that suggestion by that organization in Toronto?

● (1430)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I would have to check on the specific organization but in these circumstances it is usually better to provide assistance in the form of cash. We generally urge interested citizens to provide cash, because it is certainly a more mobile form of aid and meets the situation more readily. In some cases, we find it difficult to provide economical transportation and it sometimes happens that transportation costs equal or exceed the amount of the physical aid that is being offered. In this particular case, I will examine the details and see whether there is anything that can be done.

Mr. Woolliams: One further question, Mr. Speaker. I appreciate the minister's answer. When he is investigating this I wonder if he would look very carefully at the suggestion of this organization which came up with three commercial airlines ready and willing to fly this food to Hong Kong from where it could be taken into Viet Nam by military charter planes. Has there been objection to this by his department because the Americans are working with the military charter planes?

Mr. MacEachen: No, Mr. Speaker, that would not enter into the picture at all. The hon. member has made a suggestion and I can assure him that it will be considered very carefully.

* * *

[*Translation*]

FLOODS

RECOMMENDATIONS OF INTERNATIONAL JOINT COMMISSION CONCERNING RICHELIEU RIVER AND LAKE CHAMPLAIN—GOVERNMENT POSITION ON IMPLEMENTATION

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

Following the report of the International Joint Commission pressing the governments of those two countries to act rapidly and put a stop to the damages along the Richelieu river and the shores of Lake Champlain, has the minister approached the cabinet or any of the departments concerned, to take action, and are steps being taken jointly with Quebec which suffered losses amounting to $1.5 million in 1972?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I know that the International Joint Commission has completed its studies with respect to the Richelieu river which involves considerations for both countries. In order to give a more authoritative answer I should like to consider the second part of the question more carefully.

[*Translation*]

Mr. Wagner: Mr. Speaker, I want to put a supplementary question to the Minister of the Environment.

During her recent stay in Washington, did the minister raise the question of the floods along the Richelieu river and on the shores of Lake Champlain, and can she tell us today, in view of the report, whether the government is in favour of building a regulating system and of dredging a channel, or whether it would rather, according to the second option, make an intensive joint study on the environment, to determine the implications of the regulating of the Richelieu river in both countries?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, during my stay in Washington, I did raise the matter concerning the Richelieu river and Lake Champlain.

I discussed the report of the International Joint Commission. That report suggests that we make an intensive study of the effects such protection works would have on the environment. For our part, we consider that previous studies have already established that these effects would be minimal. However, we would be prepared to conduct a study on a smaller scale on the specific questions the Americans have raised.

* * *

[*English*]

LABOUR CONDITIONS

POSSIBILITY OF NEW LABOUR RELATIONS MEASURES CONTAINING PROVISION FOR INNOCENT THIRD PARTY PARTICIPATION IN NEGOTIATIONS

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Acting Prime Minister. In view of the comment of the Prime Minister yesterday that collective bargaining will not remain free if it cannot be made less destructive to Canada than it is today, is the government taking any measures to correct this situation in negotiation with labour-management organizations in order to bring about a new style in labour relations?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the general subject has been under review recently. As yet the government has no specific proposals to make but is hopeful that the studies under way will produce results which are better than the processes now going on.

Mr. Malone: I appreciate that answer, Mr. Speaker. I wonder if the Acting Prime Minister could give an assurance that the government will bring in an innocent third party to such negotiations or studies especially in light of the fact that ten contracts are due in the grain industry this year? This is an industry which cannot in any way protect itself from the danger of strikes.

Mr. Sharp: The public interest is often involved in disputes of this kind, Mr. Speaker. I doubt very much, however, if it would help in the resolution of disputes if we were to bring in third parties. Perhaps the hon. gentleman has some ideas he would like to submit to the relevant committee.

[Mr. Wagner.]

[*Translation*]

AGRICULTURE

EFFECT OF LONGSHOREMEN'S STRIKE ON SUPPLY OF FEED GRAIN—GOVERNMENT ACTION

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

The parliamentary assistant, in reply to a question yesterday, advised me that the Minister of Agriculture and the government are informed hourly of the situation regarding the movement of grain in Quebec, following the closing of some ports on the St. Lawrence. Is the minister in a position to say today what is the exact situation, because I kept receiving this morning urgent appeals from farmers telling me it is getting increasingly difficult for them to get supplies from mills?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the condition is rapidly deteriorating and unless injunctions are obtained to disallow the picketing at the elevators in Quebec City and Trois-Rivières, there will be some loss of poultry and livestock. We know people are being asked to share the feed that is in the area and feed is being trucked in from Montreal and Prescott. We do not think, however, that this will be sufficient to look after the needs that will be there in the next day or two.

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FOOD PRICES REVIEW BOARD

ALLEGED REFUSAL OF BOARD TO GIVE INFORMATION ON MEAT OPERATIONS OF CANADA SAFEWAY TO MANITOBA LIVESTOCK AND MEAT COMMISSION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wanted to direct a question to the Minister of Consumer and Corporate Affairs. In his absence perhaps I might have the attention of the Acting Prime Minister or the Acting Minister of Consumer and Corporate Affairs who, I believe, is the Postmaster General. My question relates to the fact that the Food Prices Review Board has refused to give certain information concerning the meat operations of Canada Safeway in Manitoba to the Manitoba Livestock and Meat Commission. In view of the fact that Canada Safeway specifically authorized the Food Prices Review Board to convey this information to the commission in Manitoba, and in order to avoid duplication of hearings and to facilitate this investigation, will the minister take up this matter with the Food Prices Review Board in the hope that the issue will be resolved?

Hon. Bryce Mackasey (Postmaster General): The hon. member had his opportunity to make his representations on his question very clear. I will take the matter up with the appropriate minister at the first opportunity.

THE CANADIAN ECONOMY

GOVERNMENT REACTION TO PROPOSAL OF MANITOBA PREMIER CONCERNING PRICE CONTROLS

Mr. G. W. Baldwin (Peace River): My question for the Acting Prime Minister concerns a very important conference that is going on this afternoon with regard to the economy. Could the minister indicate what the government's reaction will be to the proposals being advanced by the premier of Manitoba with regard to the necessity of price controls being imposed to deal with the problems of the economy?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of Finance made a statement in the conference today in which he pointed out that price controls had not been accepted by the Canadian people as appropriate under present circumstances. He said that as far as this government is concerned it felt this was a much less desirable method than the procedure he favoured, namely, to try to bring about co-operation amongst various groups in the community toward certain stated objectives. These were set out in his statement to the conference.

Mr. Baldwin: I should like to ask the Acting Prime Minister if he is able to advise the House of the position of the Premier of British Columbia and the Premier of Saskatchewan with respect to this very interesting suggestion by the Premier of Manitoba?

Mr. Sharp: Mr. Speaker, I was not one of those privileged to be present during these discussions. I understand that one of the private members on the other side managed to sneak in but I was otherwise engaged. I shall make an inquiry and I am sure the Minister of Finance and the Prime Minister will report on the conference.

* * *

● (1440)

FEDERAL-PROVINCIAL CONFERENCE

INQUIRY WHETHER YUKON AND NORTHWEST TERRITORIES REPRESENTED BY ELECTED REPRESENTATIVES

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a supplementary question to the Minister of Indian Affairs and Northern Development. Since Canadian citizens of the provinces are represented at the conference of first ministers by their elected representatives, can he inform me who is representing the people of the northern territories, of the Yukon and the Northwest Territories, who are as vitally interested in the price of oil and in their economy as anybody else.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sorry; I did know the names a couple of days ago. I can get the information and give it to the hon. member.

Mr. Nielsen: A supplementary question, Mr. Speaker. Are those two territories of Canada represented by elected representatives from the territories?

Mr. Buchanan: Mr. Speaker, no, I do not believe so.

Mr. Nielsen: A final supplementary question, Mr. Speaker. In that event, since the two territories come under the jurisdiction of the federal government and considering the views of the Prime Minister on the pricing of oil, can the minister say who is to express the views of the citizens of both northern territories in opposition to any increase in the price of oil?

Mr. Buchanan: Mr. Speaker, this matter falls, in this case, within the purview of the federal government.

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PENITENTIARIES

COWANSVILLE—CLASSIFICATION OF MURDERER OF INSTRUCTOR—SUGGESTED REVISION OF CLASSIFICATION PROCEDURES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Grafftey: Mr. Speaker, my question has to do with the fatal beating of a penitentiaries commission official at Cowansville, Quebec, and is directed to the Solicitor General. I would ask—

Some hon. Members: Oh, oh!

Mr. Grafftey: Mr. Speaker, I will ask you—

Some hon. Members: Oh, oh!

Mr. Grafftey: Mr. Speaker, I wonder if you, Sir, as the chief commoner in the House, would, when I put a question of serious nature, protect the right of an individual member and demand courtesy from the minions opposite.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. It is always possible for the chairman to intervene and demand silence. Generally speaking, this is much more effectively achieved by the putting of a precise question, which elicits an answer.

Mr. Grafftey: Mr. Speaker, I will reply. In the last six times—

Some hon. Members: Order, order.

Mr. Grafftey: I am going to handle this right now, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member has been recognized and has the floor for the purpose of putting a question. Perhaps he would do so, because there are several other hon. members who would like to put their questions.

Mr. Grafftey: Sir, I have tried to put my question, but it has been impossible, because of all the noise.

My question to the Solicitor General has to do with the fatal beating of a penitentiaries commission official at

Cowansville, Quebec. Was the inmate suspected of being involved in this murder ever classified as a maximum security risk, and why was he transferred from a maximum security institution in Montreal to the medium security institution at Cowansville.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, these questions are presently under investigation by an administrative inquiry, as I mentioned yesterday in the House when answering a question asked by the hon. member for Témiscamingue.

An hon. Member: Too late, too late.

Mr. Alexander: Oh, shut up.

Mr. Grafftey: Mr. Speaker, may I direct this supplementary question to the Solicitor General: What classification procedures, if any, were followed before this inmate was transferred from the maximum security institution to the medium security institution at Cowansville. Since the Solicitor General has been told time and again that his classification procedures are in disarray, when will he review this matter and act on it?

Mr. Allmand: Mr. Speaker, the classification procedures have been reviewed and changed on several occasions. As I just told the hon. member, this particular case is being investigated by an administrative inquiry. I shall be willing to report to the House when that inquiry is completed.

* * *

HEALTH

ALCOHOLISM—CONSULTATION WITH PROVINCES ON PREVENTIVE AND EDUCATIONAL MEASURES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the alarming increase in alcoholism and its sequela, which a federal health minister has acknowledged to be a widespread dependence on drugs, and as alcoholism costs us over $1.5 billion a year and plays a significant part in 50 per cent of all automobile accidents and in suicides and homicides, what steps are being taken, with the provinces, in prevention and education?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for giving me notice of his question. At the last federal-provincial conference of health ministers held in February, 1974, a special work group dealing with alcohol problems was set up to co-ordinate planning and activities in the field of alcoholism with regard to treatment, rehabilitation, counselling and public education. We feel, as ministers, that this represents a major step taken by the two levels of government. I expect a report from this working group as soon as it has arrived at its conclusions. I will be pleased to give further details to the hon. member and his colleagues when my estimates are considered in committee next week.

[Mr. Grafftey.]

Mr. Rynard: A supplementary question, Mr. Speaker. Will the minister consider prohibiting the advertising of alcoholic beverages, in conjunction with the provinces.

Mr. Lalonde: Mr. Speaker, this matter is being discussed at present at various levels between the provinces and the federal government. It has been discussed, particularly with representatives of the provinces and of the CRTC, in relation to broadcasting, but I am not aware of the conclusions of these discussions.

* * *

EXTERNAL AFFAIRS

REQUEST OF UNITED KINGDOM FOR EARLY MEETING OF NATO—POSSIBILITY OF DISCUSSIONS WITH UNITED STATES—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is directed to the President of the Privy Council in his capacity as Acting Prime Minister. As the United Kingdom has called for an urgent summit meeting of NATO in May, because of the concern throughout Europe about the spread of Communism in Portugal, Italy, France, all NATO countries, and the problems faced by Greece and Turkey, two NATO allies, has this matter been discussed with our NATO partner, the United States, and what action will Canada take in response to the request of the U.K.?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, my colleague, the Secretary of State for External Affairs, discussed the idea of such a conference with the Secretary of State of the United States, Dr. Kissinger. We are giving consideration to it. Of course, if a meeting were called, and if it were agreeable to others, we would be there. However, the issue is this: is this the right time to call such a meeting. In general, I think this government would believe that a high level meeting on NATO affairs is desirable; but whether the timing of this meeting is the right one is the question before us.

EUROPEAN SECURITY CONFERENCE—RELATIONSHIP TO CALL FOR EARLY MEETING OF NATO—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Is he, or the Acting Prime Minister, in a position to inform the House of the position Canada would adopt relative to the European Security Conference and does he see any relationship between the call by Britain for a summit meeting of NATO leaders and the European Security Conference.

● (1450)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): There is not the necessary relationship between a NATO summit meeting and a security conference. It is not possible for the security conference to conclude its work and be associated with a NATO summit meeting at the end of May. If the conference were to conclude its work this summer, it is conceivable that a

NATO summit could be associated with that conference in the fall. But at the moment they are not connected.

Mr. Forrestall: The minister now appears to be telling the House that in the opinion of the government a meeting of the senior leaders of the NATO countries should not be held until there has been some disposition of the work of the security conference. Is that what he is saying?

Mr. MacEachen: No. That is not a firm policy. We are, as a government, concerned about further progress at the European Security Conference and we want to hang in there for a further period in order to improve this particular aspect of our international relations. The question of a NATO summit meeting at the present time has been dealt with by the Acting Prime Minister. While in principle we would favour a summit meeting, a question could be raised whether the timing—at the end of May—is appropriate.

* * *

HEALTH

POSTING OF PRICES OF PRESCRIPTION DRUGS—REQUEST GOVERNMENT TAKE NO ACTION AGAINST PHARMACISTS

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. In view of the fact that two Montreal drug store chains this morning challenged the Quebec College of Pharmacists by posting price comparisons of brand name and generic drugs, thus, in effect, finally giving Quebecers an opportunity to do their pharmaceutical shopping on the basis of price information, will the minister assure the House and the Quebec pharmacists that his department and the government will not participate in any legal actions which would or might result in consumers of pharmaceutical products being deprived of this kind of price comparison and consumer protection services?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, again this matter was discussed at the meeting of federal-provincial ministers of health in February, 1974. The federal government proposed the authorization of price posting of prescription drugs but the provinces were not unanimous on this proposal. However, it was agreed that we would pursue the matter further. We are not persuaded by the argument that price posting will increase drug abuse. It is my intention to see that the food and drug regulations are amended so as to permit price-posting. The new arrangement will, however, not extend to the advertizing of narcotic and controlled drugs which have a potential danger for abuse. I therefore do not intend to institute proceedings against drug stores which post prices in the current circumstances.

EXTERNAL AFFAIRS

INQUIRY WHETHER GOVERNMENT CONVEYED TO EGYPT ITS APPROVAL OF OPENING OF SUEZ CANAL—CANADIAN REPRESENTATION AT CEREMONIES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the honourable and learned Secretary of State for External Affairs, coupled with my good wishes for the success of his African trip commencing tomorrow. Can he advise the House whether Canada has conveyed to the government of Egypt its approval of that country's contribution to the diminution of international hostility and economic hardship through the re-opening of the Suez Canal, and can he tell us whether the Canadian government is to be represented at the ceremonies marking the re-opening of this historic waterway? If so, would he like to take a political descendant of the great Benjamin Disraeli with him?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I thank the hon. member for his good wishes and his penetrating question which I should like to take as notice.

* * *

HEALTH

ACCESS TO THERAPEUTIC ABORTION COMMITTEES IN HOSPITALS—POSSIBILITY OF AMENDMENT TO CRIMINAL CODE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I admit it has been asked before in different forms by the hon. members for Halton and for York South, but I am trying to reconcile differing views within the cabinet. How does the government intend to overcome the inequities perceived by the minister in relation to access to therapeutic abortion committees in hospitals, and is an amendment to the Criminal Code contemplated so that there might be equality of access to what the minister in his statement termed semi-public institutions?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there are no differences of opinion among cabinet members on that matter. I said that the provisions of the act now in force are known. Unfortunately the benefits of the act are not equally available throughout the country; the provinces are responsible for administrating health services, especially hospitals, and there is very little the government can do to force an institution to take measures in that regard.

[*English*]

Mr. Fairweather: Does the minister not agree that a simple solution to this difficulty would be an amendment to the Criminal Code?

[*Translation*]

Mr. Lalonde: I do not believe so because the Criminal Code as it is now constituted allows the creation of therapeutic abortion committees. The Criminal Code is purely

permissive and it is up to the individual to make use of this permission.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

REVERSAL OF JURY VERDICT BY COURT OF APPEAL—POSSIBILITY OF AMENDMENT TO CRIMINAL CODE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a question for the Minister of Justice. In the light of the decision by the Quebec Court of Appeal to superimpose its ruling over that reached at the jury trial in the Morgentaler case, and the recent confirmation of that decision by the Supreme Court of Canada, and taking account of the demoralizing effect this could have on the whole of the jury system, would the minister advise us whether consideration is being given to amendments to the Criminal Code so that appeal courts reversing jury decisions would be obliged to refer the trial back to the jury?

Hon. Otto E. Lang (Minister of Justice): We have already given some consideration to the implication of the decision whereby a court of appeal, uphelp by the Supreme Court, substituted a verdict for a jury verdict, with a view to determining whether any change in section 613 was required. It is our conclusion at this point that the very words of the Supreme Court in upholding the decision by the Quebec Court of Appeal set out sufficiently carefully the unlikelihood of this happening, the fact that this is a very rare occurrence and that there should be no fear at all of an adverse effect on the jury system. It was noted by the Supreme Court that this may have been the first time this has been done in Canada and that it may be a very long time before the exact circumstances arise again, where a similar course would be possible. As I read the Supreme Court decision, I think there is very little to fear in terms of this becoming a very common occurrence.

REQUEST FOR PARDON FOR DR. MORGENTALER

Mr. Stuart Leggatt (New Westminster): In the light of the minister's answer that this is a rare occasion and it is unlikely to be repeated, would the hon. gentleman now give consideration to those provisions of the Criminal Code in the Morgentaler case relating to a free pardon. Will the minister advise us that the cabinet will, at least, give consideration to the question of a free pardon in the Morgentaler case?

Hon. Otto E. Lang (Minister of Justice): The very court which said it was a very rare occasion said this was precisely one of the kinds of occasions where it could properly be seen to be used.

The hon. member should recognize that any action on the part of the executive with regard to clemency or an alteration of sentence is very rare indeed.

Some hon. Members: Oh, oh!

Mr. Lang: We ought not to confuse this with the question of the commutation of death sentences which is specifically placed upon the cabinet as a burden. I suggest that what the hon. member is really doing is voicing the opinions of some who do not like the law as it now applies and who therefore want an amendment to the law to take place. To do so in the way he suggests would be highly reprehensible on the part of the executive.

[Mr. Lalonde.]

● (1500)

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

Tenth report of Standing Committee on Justice and Legal Affairs—Mr. Poulin.

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

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I rise on a question of interest and order. Since we are now on the new procedure, I should like to try this out for size as being the right time to ask the government House leader about the business of the House for the ensuing week. In my humble view, this is probably a better time than waiting until all the routine proceedings are completed.

Mr. Sharp: Mr. Speaker, I think it is an appropriate time, but I have sent a message to my hon. friend to which I have not yet received a reply. Perhaps I should wait until I have had a reply and then I can announce the business.

Mr. Baldwin: Mr. Speaker, I can say that the answer is in the negative, so that might enable my hon. friend to proceed.

Mr. Sharp: Then may I suggest the following bills for consideration tomorrow: S-9, S-20, C-30 and C-19.

Mr. Baldwin: And for today?

Mr. Sharp: Today we will discuss Bill C-34, the Farm Credit Act. I announced that last evening. If we deal with the amendments, we will turn to Bill C-13.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): My question of privilege, Mr. Speaker, as well as that of French-speaking members of this House is as follows: Awhile ago I asked a question of the Minister of Communications (Mr. Pelletier), who said that he was no longer the Secretary of State. This is true, but I would like him to refer the matter to the Secretary of State (Mr. Faulkner). Here is my question of privilege. Mr. Speaker, hon. members have received a leaflet entitled *Québec Fête*, signed by Lise Payette and sponsored by the City of Montreal and the CBC. I would like to establish clearly and remind the

Secretary of State at the same time that Saint-Jean-Baptiste Day does not belong only to the Province of Quebec, but to all French Canadians. When we celebrate St. Patrick's Day, in honour of the Irish people, it is not only for the Irish people of Quebec, Ontario, or British Columbia, but for the Irish people of all Canada. The same thing is true for French Canadians. However, Mr. Speaker, if the people want to make this a separatist issue by saying that Quebec alone is concerned—and this is the meaning of the leaflet—I do not want the CBC to give five cents to finance separatists like Mrs. Lise Payette, or wooden-faced François-Albert Angers of Montreal, or people like that. Mr. Speaker, I believe that the CBC is now financing the destruction of Canada rather than its unification.

Mr. Speaker: This is certainly an important matter, not only for French Canadians, but also for all the members of this House. Perhaps fortunately for the Chair, the hon. member did not ask, through the Chair, that any action be taken to rectify the situation, therefore, the question remains as stated.

[*English*]

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a question of privilege. In response to the recent question that I asked the Minister of Justice (Mr. Lang), the minister attempted to impute motives to the questioner, myself, and I submit that this is a violation of the privileges of this House. The answer given by the Minister of Justice, imputing motives in the question, in effect deprived the questioner of the right to be seen and to ask an objective question. When the Minister of Justice suggests that it is a narrow group of people who are asking that question about juries, let me assure Your Honour and the members of this House that many members of the legal profession are vitally concerned that the jury system should survive in this country and the question of the survival of the jury system is a serious one indeed.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think the hon. member may have mistaken the reference to the number of people who had a certain view; that was with reference to the question whether clemency should be granted, not with reference to the question about juries. In my earlier answer I think I made it quite clear that I, too, was concerned about the integrity of the jury system but that I was satisfied, from the discussion in the Supreme Court on the matter, that there was no difficulty. I think it is also clear that I did not impute any motives. However, I did say that a certain view was being expressed and put forward, and I think that is very fair comment indeed.

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THE CANADIAN ECONOMY

TABLING OF STATEMENTS MADE TO FIRST MINISTERS' CONFERENCE BY MINISTER OF FINANCE

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like to table, pursuant to rule 41(2), two statements made by the Minister of Finance (Mr. Turner) to the conference of first ministers today. They are entitled "The Consultations on Inflation" and "The Economic Situation", and are in both official languages.

* * *

CRIMINAL CODE

AMENDMENT TO PROHIBIT USE OF STEEL LEG TRAPS IN TRAPPING OF ANIMALS

Mr. Allan B. McKinnon (Victoria) moved for leave to introduce Bill C-387, to amend the Criminal Code (cruelty to animals).

Some hon. Members: Explain.

Mr. McKinnon: Mr. Speaker, I simply wish to state that the purpose of this bill is to prevent the use of steel leg traps for the trapping of animals.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 352, 1,182, 1,337, 1,350, 1,351, 1,595, 1,599, 1,672, 1,758, 1,766, 1,777, 1,814, 1,861, 1,892, 1,922, 2,117 and 2,127.

Mr. Speaker, if questions No. 53, 615, 1,285 and 1,372 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, I ask that questions No. 401 and 769 be made orders for return and also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

Mr. Speaker: Shall the questions enumerated by the parliamentary secretary be deemed to have been made orders for return in the manner described by the parliamentary secretary?

Some hon. Members: Agreed.

Mr. Reid: Would you be so good as to call starred question No. 1,609?

I ask that the remaining questions be allowed to stand.

[*Text*]

POSTAL DISTRIBUTION CENTRE, MONCTON

Question No. 352—**Mr. Jones:**

1. (a) On what date will the announcement be made with respect to the acquisition of a new centralized regional postal distribution centre

in the City of Moncton or the Greater Moncton area (b) on what date will work commence (c) what is the scheduled completion date?

2. (a) On what date will the announcement be made with respect to the erection or acquisition of a new post office building with adequate facilities in the Town of Riverview (b) on what date will work commence (c) what is the scheduled completion date?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. (a) The date is not yet known. (b) Canada Post Office is now studying postal operational and facility requirements for the Moncton area. No date for the commencement of this project can be given until these studies are complete. However, the Estimates Book for 1975-76 shows that it is anticipated that an initial $200,000 should be spent on a Moncton facility in 1975. (c) A completion date cannot be scheduled until a commencement date for the project has been established.

2. (a) With respect to the requirements for postal facilities in Riverview, this area is presently serviced by three sub post offices and ten letter carriers. There is no immediate intention to build new postal facilities. However, the need for new facilities is constantly under view as towns increase in population. (b) Not applicable. (c) Not applicable.

LIP—PROJECT No. 311936

Question No. 1,182—**Mr. Cossitt:**

1. (a) What were all the details of Local Initiatives Programme Project No. 311936 (b) what were the names and addresses of all those appearing on the application and of all those who endorsed or recommended this project in any way?

2. (a) Was this project located in the constituency of London West (b) was it approved in the amount of $117,000 on January 27, 1972?

3. (a) Does the name of Mr. Lloyd Francis Stevens appear in the Department file for this project as having endorsed its approval (b) was the Department or the Minister aware as to whether or not this is the same Lloyd Francis Stevens mentioned in *Who's Who* as a supporter of the Liberal Party?

4. (a) Was the construction firm on this project Ellis Don Construction Limited (b) was the Department or the Minister aware as to whether or not this was the same Ellis Don Construction Limited mentioned in the *London Free Press* on or about July, 1973 as publicly stating that it had donated more than $10,000 in five years to the Liberal Party?

5. (a) In what ways did this project not meet the criteria of the Local Initiatives Programme (b) what were the names and job designations of all LIP personnel who pointed this out (c) what was the identity and job designation of the individual making the final decision to accept this project?

6. What was the name of the designated Regional Cabinet Minister under the Local Initiatives Programme under whose jurisdiction approval or disapproval of this project fell?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) Madame Vanier Children's Services Project No. 311936—1971-72 LIP. Project Description: To construct a four-building complex on three acres. To include a clinic building, a specialized school, an activities building and a 3-unit townhouse. To purchase two halfway houses and to renovate them for the community. To create 64 new jobs—45 permanent positions once the organization was fully operative. (b) Names of Sponsors: Mr. A. R. Martin, Chairman, 217 Deer Park Circle, London, Ontario; Dr. John R. Dubois, Executive Director, 534 Queens Avenue, London, Ontario. The Department of Manpower and Immigration regards as confidential the names and content of all representations made to the minister or the department.

2. (a) No (London East). (b) Project 311936 was approved in the amount of $123,201 on February 3, 1972.

3. (a) No. (b) No.

4. (a) Yes. (b) No.

5. (a) This project did meet the basic criteria of the Local Initiatives Program. (b) Not applicable. (c) The final approval of all projects rested with the then minister of manpower and immigration, the Hon. Bryce Mackasey.

6. Not applicable.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—ADVERTISING

Question No. 1,337—**Mr. Huntington:**

1. What was the total cost of advertising in the Department of Consumer and Corporate Affairs for the years 1972-73 and 1973-74?

2. What was the breakdown of the programmes against the total cost of advertising for these years?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. $107,759.83, 1972-73; $138,430.27, 1973-74.

2. There is no meaningful breakdown by program because the advertising was department-wide. The emphasis, however, was on consumer affairs.

INVESTIGATION—CLAIMS RELATING TO THEFTS AND LOSSES—CNR AND AIR CANADA

Question No. 1,350—**Mr. Clark (Rocky Mountain):**

1. In the last fiscal year, what was the (a) total number of thefts reported (b) total value of goods reported stolen from (i) CNR freight (ii) Air Canada freight?

2. How many investigators are maintained by (a) Air Canada (b) CNR to investigate thefts or losses from freight entrusted to those carriers and where is each investigator located?

3. In the last fiscal year, how many reported thefts or losses from (a) Air Canada (b) CNR were not solved as of January 31, 1975?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. (a) (i) 612. (b) (i) $646,400.

2. (a) Not applicable. (b) There are 48 claims personnel, whose duties involve the investigation of losses including thefts, located as follows: Moncton, 6; Montreal, 13; Toronto, 15; Winnipeg, 4; Saskatoon, 3; Edmonton, 4; Vancouver, 3.

3. (a) Not applicable. (b) 402. The above figures are on calendar year basis (1974) and include both freight and express. Further breakdown is not available from our records.

The management of Air Canada advises as follows: 1. To classify a missing shipment as a theft or as stolen, satisfactory proof must first be established. Frequently, the securing of proof is not possible or evidence is not obtained until long after a claim is concluded. Thus Air Canada has a claim classification under the heading "Non Delivery", which includes: (i) A loss. (ii) Failure of a piece or pieces of a shipment to reach destination for

reasons related to such things as misrouting and poor packaging. (iii) Possible theft.

Following are statistics for the year 1974: Percentage of air freight claims for all causes, including Non Delivery, Pilferage, Damage and Delay, to the total 814,884 shipments carried was .65 per cent. (a) Total number of Non Delivery and Pilferage claims: 2,325 or .29 per cent of total shipments carried. (b) Total Non Delivery and Pilferage claims costs: $483,765 or .74 per cent of total air freight revenues totalling $66,533,647. Air Canada's position in relation to Non Delivery claims is below the average of major United States carriers.

2. (a) Air Canada maintains four Security Representatives located at Montreal, Toronto, Vancouver and Los Angeles airports who call on the services of outside police forces, as required. (b) Not applicable.

3. (a) This information is not available from our records. (b) Not applicable.

PRIME MINISTER'S SUMMER RESIDENCE—ITEMS PURCHASED

Question No. 1,351—**Mr. Cossitt:**

Since the date of the answer to Question No. 2,598 of the First Session of the 29th Parliament setting forth items of furniture, fittings, fixtures or contents of any kind whatsoever purchased for the Prime Minister's summer residence at Harrington Lake, what is the itemized list of all additional items purchased and the cost thereof?

Hon. C. M. Drury (Minister of Public Works): Since the date of the answer to question No. 2,598, which listed items purchased to July 31, 1973, included herewith is a list of items purchased from August 1, 1973 to December 31, 1974. August 1, 1973-March 31, 1974, Nil. 1974-75*: Dinette set, $414.16.

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*Expenditures up to December 31, 1974.

UIC—ASSISTANCE TO RECIPIENTS IN COMPLETING APPLICATION

Question No. 1,595—**Mr. Lambert (Bellechasse):**

1. In the constituency of Bellechasse, do any employees of Unemployment Insurance Commission assist recipients in completing application forms and, if so, how many?

2. What are their names, addresses and annual salaries?

3. On what dates were they hired?

4. In what municipalities are they employed?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1, 2, 3 and 4. In the constituency of Bellechasse there are five persons employed by the Unemployment Insurance Commission who assist claimants in completing claim forms.

2, 3 and 4. Name and S.I.N.	Address	Annual* Salary 1974	Date of Hiring
Mrs. George Chabot	St-Damien, Constituency of Bellechasse, Que.	$276.00	15/12/1960
Mrs. Bserilla Rouillard	St-Philémon, Constituency of Bellechasse, Qué.	$160.50	09/1961
Mrs. Carmen T. Lejeune	St-Magloire, Constituency of Bellechasse, Que.	$205.50	03/12/1959
Mrs. Léonard Goulet	Armagh, Constituency of Bellechasse, Que.	$408.00	03/1964
Mrs. Alexandra Bernard	St-Raphael, Constituency of Bellechasse, Que.	$361.50	03/1968

———

*Annual salary based on $1.50 per form completed on behalf of a claimant.
Each one of these representatives works in the municipality where she lives and serves the neighbouring municipalities.

FUNDS TO MANITOBA CULTURAL CENTRE, ST. BONIFACE

Question No. 1,599—**Mr. Epp:**

1. What is the total amount of federal funds given to the St. Boniface Cultural Centre in Manitoba?

2. What was the amount for each year 1968 to 1974?

3. What were the major programmes at the St. Boniface Cultural Centre which received federal funding?

Hon. James Hugh Faulkner (Secretary of State):
1. $855,000.

2. 1970-71, $510,000; 1971-72, $40,000; 1972-73, $190,000; 1973-74, $65,000; 1974-75, $50,000; total $855,000.

3. Except for capital grants of $500,000 in 1970-71 and $150,000 in 1972-73 toward the construction costs of the building, all the grants were to assist in paying for the administration and operation of the centre.

*TREATMENT OF NARCOTIC ADDICTS WITH METHADONE

Question No. 1,609—**Mrs. Holt:**

1. (a) Is the government aware methadone, an addictive drug is being used as an alleged cure for heroin addiction as was heroin used as a cure for opium addiction (b) is this new drug being abused in British Columbia and the rest of Canada?

2. (a) How many legal methadone clinics are there in Canada (b) where are they located?

3. By area, how many people are on methadone maintenance and what are their ages?

4. For each of the past ten years, what amount was dispensed by the clinics?

5. After considerable use and experience with methadone, has any study been made or is being made of the side effects and general medical condition of users, especially those who were on extended treatment and, if not, will a programme of such research be established?

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in view of the length of the reply to question 1,609, I ask permission of this House to have it printed as if read.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

Miss Campbell: 1. (a) and (b) Methadone has been in use for many years as a potent narcotic analgesic and as such is subject to the controls that apply to all narcotic drugs. Since 1963, interest has centered around the controlled use of methadone as a treatment aid in programs aimed at social and economic rehabilitation of heroin addicts. As a consequence, consumption of the drug increased considerably and reports of misuse and abuse of methadone came to the attention of the Department of Health and Welfare. In view of the serious concern over this development, a Special Joint Committee of the Department's former Food and Drug Directorate and the Canadian Medical Association was established in 1970 with the purpose of reviewing the use of methadone in the treatment of narcotic addiction. As a result of the recommendations of this Committee and those made by other experts in this area, new regulations were implemented on June 1, 1972 bringing methadone under even more strict controls and permitting its use only by practitioners specially authorized for that purpose. These regulations have resulted in a marked decrease of consumption of this drug and brought its use under proper control.

2. (a) Number of clinics with protocols allowing the use of methadone for the management of narcotic addiction: 33. (b) British Columbia, 14; Alberta, 2; Saskatchewan, 2; Manitoba, 2; Ontario, 5; Quebec, 7; Nova Scotia, 1.

3. Narcotic addicts treated with methadone: October and November, 1974: British Columbia, 837; Alberta, 45; Saskatchewan, 34; Manitoba, 51; Ontario, 201; Quebec, 43; Nova Scotia, 1. Information on ages of narcotic addicts treated with methadone is not available.

4. Canadian imports of methadone: 1966, 3.29 Kg; 1967, 5.71 Kg; 1968, 10.4 Kg; 1969, 13.4 Kg; 1970, 30.19 Kg; 1971, 40.59 Kg; 1972, 40.680 Kg; 1973, 0.001 Kg; 1974, 22.5 Kg. These numbers indicate a fall in consumption after the introduction of additional controls in 1972 and the importation of almost no drug in 1973 is due to the consumption of leftover stock from the previous year.

5. There is a limited amount of literature on the effects of methadone and the results of treatment programs for narcotic addicts which include the use of methadone. The report of The Special Joint Committee of the Department of National Health and Welfare—Canadian Medical Association which was set up to study the use of methadone in the treatment of narcotic addiction was published in 1971. The LeDain Commission of Inquiry Into the Non-Medical Use of Drugs has also reviewed this matter. The Health Protection Branch is continuing to assess this modality of treatment.

CEMA

Question No. 1,672—**Mr. Mazankowski:**

1. How many firms and/or persons have been engaged in a legal, consulting and advisory capacity since the inception of CEMA?

2. (a) What are the names of the firms and/or persons (b) how much money was paid to each firm and/or person for each year up to and including December, 1974?

Hon. E. F. Whelan (Minister of Agriculture): Since CEMA operations are not funded by government, it is considered that the information requested is confidential to CEMA.

[Mr. Speaker.]

INDUSTRY, TRADE AND COMMERCE—PUBLIC SERVANTS WORKING IN CONTINENTAL REGIONS

Question No. 1,758—**Mr. Herbert:**

In the Department of Industry, Trade and Commerce for the month of April 1975, what is the budgeted number of public servants to work in the continental regions of (a) North America excluding Canada (b) South America (c) Europe (d) Asia (e) Australasia?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): (a) North America (excluding Canada) 104, (b) South America 34, (c) Europe 91, (d) Asia 26, (e) Australasia 21.

EYE CARE FOR NATIVE POPULATION OF NORTHWEST TERRITORIES

Question No. 1,766—**Mr. Firth:**

Is there, at this time, a government arrangement whereby optometrists are hired to provide eye care to the Native population of the Northwest Territories and (a) if not, is the government planning on instituting such a medical service (b) if so, when did eye care for Natives become available?

Hon. Marc Lalonde (Minister of National Health and Welfare): No. (a) No. (b) The government, through the Department of National Health and Welfare, believes that the simple checking of visual acuity and the prescription of corrective lenses is not an adequate service to the native people. Instead, service is provided in three zones (Northwest Territories) by contract through the universities with consultant ophthalmologists who regularly visit the settlements to provide both diagnostic and refractive eye care. For example, in the MacKenzie zone, ophthalmic services are provided under the supervision of a qualified ophthalmologist who is resident in Yellowknife. The alternative suggested of utilising optometrists to do all the necessary refractions, would leave uncovered the other numerically much smaller but potentially much more serious group with actual eye pathology who would then all have to be evacuated to the south for an ophthalmologic opinion. This would at one time increase the cost and defeat the aims of National Health and Welfare to provide care and diagnostic services to the greatest extent possible in the home community.

PURPOSE OF 1975 POST OFFICE CALENDAR

Question No. 1,777—**Mr. Towers:**

1. For what purpose is the Post Office calendar published each year?

2. Since the information printed on the reverse pages is posted in all post offices and elsewhere, is advertising the basic reason for publishing the calendar and, if not, for what reason is it published?

3. For what reason was a calendar printed this year when there is supposed to be a cut-back in government spending?

4. (a) On what basis is the calendar distributed (b) if on request only, how are taxpayers informed of its availability?

5. (a) On the 1974 and 1975 calendars, on whose authority was Victoria Day replaced by Fête de Dollard in the French version (b) what has Dollard to do with Victoria Day which was proclaimed by Parliament as a statutory holiday (c) for what reason was not the same rule applied on June 24 where the calendar shows St. Jean Baptiste Day without an English replacement?

6. For what reason was July 1 left blank instead of showing its correct name Dominion Day?

7. (a) Is the contract for printing the calendar granted by tender based on cost and efficiency and, if not, for what reason (b) what firm or firms were assigned the contract for the years 1973, 1974 and 1975?

8. Will a 1976 calendar be produced and, if so, at what cost?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. To inform mail users of Post Office services and products available and to explain how they can best take advantage of these services and products. It is a useful vehicle in mail rooms of large and small businesses, used in classrooms for educational purposes and is handy in homes for easy and ready reference to mailing deadlines and other postal information required on a day-to-day basis.

2. The reasons are the same as above. Calendars are available in limited quantities. As the demand for the calendar far exceeds the supply, other means of information are required.

3. There is a continuing need for such vital postal information. The calendar is in great demand and our surveys have indicated that it helps Canadians to better understand our complex operations and thereby make better and proper use of our services.

4. (a) Through major post offices across the country. Some are delivered by marketing representatives to the business community and others are mailed on request. (b) Through posters at distribution points and through free, unsolicited publicity in the media.

5. (a) One does not replace the other. They are both celebrated on the same date. (b) Dollard Day, and Victoria Day, are identified as holidays in most collective agreements in Quebec. (c) There is no English equivalent known.

6. It was deemed appropriate to esthetically identify this special holiday with a group illustration of our Canadian emblem, the maple leaf.

7. (a) Yes. (b) 1973, Metropole Litho Inc., Montreal; 1974, Ashton-Potter Ltd., Toronto; 1975, Lawson Graphics, Toronto.

8. Yes. The cost will be approximately $200,000.

MAGAZINE INDUSTRY SURVEYS CONCERNING ADVERTISING REVENUE

Question No. 1,814—**Mr. Herbert:**

1. Did the government conduct a survey to determine the extent of the transfer of advertising revenue to those magazines that it seeks to help, which will result from the legislation it proposes to bring forward and (a) if so, what are the results of the survey (b) if not, is a survey under consideration?

2. Have any magazine industry surveys concerning advertising revenue been conducted recently and, if so, have the results of the surveys been communicated to the responsible Minister?

Hon. James Hugh Faulkner (Secretary of State): 1. The government has conducted no survey to study a transfer of advertising revenue to Canadian periodicals as a result of its proposed amendments to Section 19 of the Income Tax Act. However, the Secretary of State's Department did conduct a computer search to determine whether Canadian advertisers could reach the same audiences through Canadian media as they now reach through "Time" and "Reader's Digest". Results indicated that they could.

2. In 1973 the Magazine Association of Canada reported that Canadian advertisers spent $35 million for space in 13 major consumer magazines. About one half of this amount was spent on space in "Time", and the two editions of "Reader's Digest"—"Time" earning $9.2 million, and "Reader's Digest" $7.2 million. These figures have been communicated to the Secretary of State. The Secretary of State has also received a privately commissioned survey completed by Canadian Facts Co. Ltd. entitled "Advertiser Executives' Attitudes Towards one Aspect of the Special Senate Committee Report on Mass Media November, 1974."

ENTRY OF SALVATORE TAORMINA TO CANADA

Question No. 1,861—**Mr. Cossitt:**

1. Did Salvatore Taormina enter Canada on or about June 5, 1968 and, if not, on what date did he enter Canada?

2. Has the RCMP ever conducted an investigation in regard to this person and, if so (a) on what dates (b) for what reasons (c) what were the details of the investigation?

3. What are the names of all persons who at any time made representations to the government on behalf of this person for purposes of his admission to Canada or for any other purpose and, in each case, what are the details of such representations?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Manpower and Immigration and the Solicitor General as follows: 1. Salvatore Taormina arrived in Canada on June 5, 1968.

2. No.

3. In accordance with the schedule for the destruction of files, the file concerning Salvatore Taormina has been destroyed. It is therefore not possible to respond to this part of the question.

COST OF CBC LABORATORY EQUIPMENT FOR SERIES "THE COLLABORATORS"

Question No. 1,892—**Mr. Friesen:**

1. How much money was spent by CBC on laboratory equipment used in production of the series *The Collaborators*?

2. Did the purchases include an electron microscope and, if so (a) what was the purchase price (b) in how many episodes did it appear (c) what was the approximate time it was actually visable?

3. (a) What items purchased fall into the following ranges (i) $500 to $1,000 (ii) $1,000 to $5,000 (iii) $5,000 to $8,000 (iv) $8,000 to $10,000 (v) over $10,000 (b) what is done with such items when the Corporation is finished with them?

Hon. Hugh James Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. $530.

2. No. An electron microscope was loaned to the CBC without charge by a scientific equipment company and was returned to the company at the conclusion of the series.

3. (a) None. (b) the items are placed in CBC stock for possible further use in television productions.

Order Paper Questions

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS APPROACHING RETIREMENT AGE

Question No. 1,922—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 listing a number of wives of senior public servants who are not themselves members of the Public Service and who have received language training at public expense, how many husbands of such persons (a) are within five years of possible retirement (b) have already retired as of this date (c) in each case, what is the husband's (i) name, (ii) position in government service (iii) earliest possible retirement date?

2. What are all the justifications for giving language training to wives of Public Service employees approaching retirement age?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. It is the policy of the Public Service Commission not to establish arbitrary age limits as a factor in selections for appointments or for training courses, unless there are compelling reasons to do so. An amendment to the Public Service Employment Act to extend the prohibitions against discrimination contained therein to age and marital status has in fact received second reading in the House of Commons and is now before the Standing Committee on Health, Welfare and Social Affairs (Bill C-16).

With regard to language training, the President of Treasury Board announced in the House of Commons on November 21, 1974 a Cabinet decision that, on economic grounds, unilingual public servants over 60 years of age who occupy or are appointed to bilingual positions would be exempted from the requirement to undertake language training.

Records are not kept in such a way that the specific information requested in this question can be readily supplied. A reply would require the review of the personal files of every public servant involved and the necessary staff is not available to undertake such a review.

2. See first paragraph of one above and the answer given to Question No. 1,446, March 12, 1975.

PURCHASE OF YACHT BY HAMILTON HARBOURS COMMISSION

Question No. 2,117—**Mr. Coates:**

Was there any government involvement, financially or otherwise, in the purchase of a yacht by the Hamilton Harbour Commission and, if so (a) what was the nature of the involvement (b) on what date was it purchased (c) from whom and by whom was it purchased (d) for what purpose (e) for what amount?

Hon. Jean Marchand (Minister of Transport): No.

ELECTRIFYING THE RAILWAY SYSTEM OF CANADA

Question No. 2,127—**Mr. Robinson:**

Will the government consider the advisability of electrifying the railway system of Canada?

Hon. Jean Marchand (Minister of Transport): The benefits of the electrification of a railway line are a function of the traffic density over that particular line. Enough savings have to be made on fuel, maintenance and locomotive capital costs to pay for the construction of the catenary and electric power distribution systems. In Canada many studies have been conducted by railways to determine whether electrification was economical. So far these studies have revealed that electrification could be marginally profitable but only on very few sections of the line. In the context of more restrictive fuel policies, electrification could be advisable.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

LIP—GRANTS IN THE CONSTITUENCY OF ROSEDALE, ONTARIO

Question No. 53—**Mr. Cossitt:**

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $1,669,213 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Rosedale, Ontario (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

CONSULTANTS HIRED BY CROWN CORPORATIONS FROM 1968 TO DATE

Question No. 401—**M. MacKay:**

1. From the 1968 fiscal year to date (a) how many consultants were hired (b) what were the terms of reference and time length of the work assignment (c) what was the amount paid to each (d) what was the name of each for all Crown corporations?

2. What are the names, positions, number and salaries of public servants for all Crown corporations that held a position similar to that of the outside consultant hired by the government?

Return tabled.

LIP—ALLOCATIONS IN CONSTITUENCY OF CAPE BRETON HIGHLANDS—CANSO, NOVA SCOTIA

Question No. 615—**Mr. Cossitt:**

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Cape Breton Highlands-Canso, Nova Scotia (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

PUBLIC SERVANTS CLASSIFICATIONS

Question No. 769—**M. Stevens:**

As of October 31, 1967, 1970, 1972 and 1974 (a) how many public servants were classified as or had an equivalent pay range to DM 3, DM 2, SX 4/DM 1, SX 3, SX 2, SX 1 (b) how many vacancies were there in each classification (c) what were the minimum, mid-point and maximum salaries in each classification (d) who, by name, were classified as DM 3, DM 2, DM 1, SX 4, and on each date, what title did they hold?

Return tabled.

TOTAL EXPENDITURE OF GOVERNMENT GRANTS

Question No. 1,285—**Mr. Hnatyshyn:**

1. (a) What is the total expenditure by way of government grants for the fiscal year ending March 31, 1975 (b) what are the specific grant programmes and the amounts of each making up such expenditure?

2. (a) What is the anticipated total expenditure by way of government grants for the fiscal year ending March 31, 1976 (b) what are the specific grant programmes and the amounts of each making up such expenditure?

Return tabled.

OPPORTUNITIES FOR YOUTH PROGRAM

Question No. 1,372—**Mr. Cossitt:**

1. Will Opportunities for Youth Programme funds for this year be distributed on the basis of Canada Manpower Management areas and, if so, what are all the reasons?

2. What are the names or designations of all Canada Manpower Management areas (a) what electoral districts or portions of electoral districts are included in each of these Management areas (b) what are the total funds allocated for 1975 for each Management area?

3. (a) What are all the factors involved in deciding how the allocation of Opportunities for Youth funds for each Management area will be divided amongst communities in that area (b) did any political considerations enter into this distribution and what are the names of any Cabinet Ministers who have responsibility for advising on such distribution within Management areas?

Return tabled.

GOVERNMENT ORDERS

[*English*]

FARM CREDIT ACT

MEASURE TO INCREASE CAPITAL OF CORPORATION AND PRESCRIBE REGULATIONS FOR LOANS

The House proceeded to the consideration of Bill C-34, to amend the Farm Credit Act, as reported (without amendment) from the Standing Committee on Agriculture.

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

That Bill C-34, an act to amend the Farm Credit Act, be amended by deleting the words "thirty-five" in lines 42 and 48 at page 2, lines 3 and 12 at page 3, line 38 at page 7 and line 22 at page 8, and substituting therefor the word "forty".

● (1510)

He said: Mr. Speaker, in rising to speak to this bill I should like to say at the outset that I believe these amendments are good, particularly the one which will increase to $150,000 the amount a young farmer can borrow, and allowing him to declare that he will go into farming but remain in another profession or occupation up to five years. The proposal embodied in this amendment was in our policy paper during the last election campaign. It has been taken directly from that policy paper and, as I say, I think it is a good amendment.

My amendment to the bill will raise the eligible age of a young farmer, for the purpose of taking advantage of the Farm Credit Act, from 35 to 40 years of age. I think this

will be an improvement because it is a well known fact that life begins at 40. Apparently, age 35 was chosen because the officials of the department felt that these 30-year loans should be paid back at age 65. There are many good reasons for raising the eligibility age to 40. We are trying to get young people back into farming. Sons and daughters of farmers very often have to leave the farm because the farming operation cannot support more than one family. These people, therefore, go into other fields or professions. By the time their parents are ready to retire, giving them the opportunity to go back into farming on the parents' land, they are over 35 years of age. On most occasions these people have to borrow under the Farm Credit Act.

Very often the young people who want to go back into farming have worked for a number of years in another career, and before they can retire with a pension they must put in a certain amount of time. It is not a bad idea for people who retire from another career to go back into farming. Many of them have experience in associated agricultural professions, which does not hurt them one little bit in their farming endeavours.

It has been stated that the purpose of this legislation is not to assist people who have had professional careers as horticulturalists or school teachers, for example. I do not believe that when we are passing legislation we should state who, or who cannot, take advantage of the legislation in that way. Certainly, I do not think you could find a better farmer than the individual who has been educated and has practised as a horticulturalist or a professional in some other agricultural field. I, personally, know a young man who had a teaching degree and a degree in agriculture. Following a career as a horticulturalist, he went back to farming his father's farm. He had a difficult time starting up, as he had to quit his job in order to qualify for farm credit, but he went ahead and is today an excellent farmer.

We know that over the years farmers have lived poor and died rich. I do not think any young man going into farming today can get very excited about that prospect. These people do not want to live the same type of life as their parents or the individuals from whom they have taken over the farm: they want to enjoy life, just as everyone else does.

The trend in the past few years has been for people to leave the farm. Statistics indicate that a few years ago 30 per cent of the children of farmers stayed on the land, but the number has now decreased to 10 per cent. If we are to attract these young people to farming, we cannot do it by just making more money available: we must make it possible for them to enjoy the standard of living that is enjoyed by people living in urban areas. There is nothing wrong with a young person going into another profession to earn money he intends to use in farming in later years, because in many cases the amount an individual can borrow under the Farm Credit Act is not sufficient and he will need the equity that is built up while in another profession.

Many occupations have pension plans and similar benefits, but it takes a number of years before one can qualify for such benefits. I do not think people who follow this course should be left out of this legislation, and for this reason, as well as others, I think the age should be raised

from 35 to 40. I cannot understand why this government or the Minister of Agriculture (Mr. Whelan) would not accept this amendment, particularly if we are really concerned about getting young people back into farming. I urge the government to accept this amendment to raise the eligible age from 35 to 40 years of age.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I should like to make a few comments in connection with this bill and the amendment moved by the hon. member for Okanagan Boundary (Mr. Whittaker). We had a very detailed and excellent discussion on this bill when it was before the committee, and I think all hon. members are anxious that it be proceeded with and passed. The people in the west, particularly with spring coming, are very anxious to see this bill passed in order that the young people can take advantage of these amendments.

I support the amendment of the hon. member for Okanagan Boundary. The bill brought in by the minister describes a young farmer as someone under 35 years of age, and the amendment of the hon. member would raise the age limit to 40. This matter was discussed in the committee. There was a suggestion that perhaps it would not be actuarially sound to lend $150,000 to a person 40 years of age. However, in reading the *Minutes and Proceedings of Evidence* of the agricultural committee for Thursday, March 20, I note that Dr. Kristjanson said, as reported at page 25:5:

● (1520)

So, we looked at that, and there is nothing wrong actuarially with it; there is no problem. In other words, there is no reason that a man 40 years of age is not as good a risk as a man of 35.

A great many young people who have been born and raised on a farm are anxious to become involved in farming, possibly by taking over a farm of their father or uncle. In such cases they need a large amount of money. I understand this is the reason the limit has been increased from $100,000 to $150,000. In the course of the committee hearings I suggested that the young farmer clause, which permits a young farmer to phase into full-time farming over a period of five years, be altered to provide, on a sliding scale, that people up to 50 years of age be allowed to phase into full-time farming.

There are many people in the province of Saskatchewan, young and middle-aged, who have been born and raised on a farm, who are working full-time but also have perhaps half or three-quarters of a section of land which they are working in the hope that one day they will be able to become full-time farmers. At the present time, because of the way this legislation reads, one must be a full-time farmer in order to qualify for a loan under the Farm Credit Act. If these people were given the opportunity to phase into farming over a period of three, two or one years by borrowing money, it would enable them to take up farming as a full-time occupation. These people are not hobby farmers: they are honest, sincere farmers who have been born and raised on a farm. They see farming as a way of life they wish to follow.

I note that Dr. Kristjanson, at the same meeting of the committee on agriculture, indicated he would consider the suggestion of allowing phasing in over a period of, say, four, three, two or one years. I hoped the minister would

[Mr. Whittaker.]

today come forward with an amendment to provide for this. On the other hand, if the flexibility exists as suggested by Mr. Kristjanson, perhaps after a year's operation under the new amendments the minister will see fit to bring in further amendments in that regard. This is a matter I intend to bring to his attention in about a year's time after this new section of the act has been operative, and if he should feel that he can bring in the necessary amendments at that time, I would welcome that. I would be prepared in the near future to bring in such a recommendation if it has not been done otherwise.

I do not think I have anything more to say on the subject except that the amendments contained in this legislation are certainly welcomed by members on this side of the House. However, I should like to see the change in respect to young farmer, and I urge the minister and members on the government side to support the amendment of the hon. member for Okanagan Boundary.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I support the amendment proposed by the hon. member for Okanagan Boundary (Mr. Whittaker). I wish to amplify his comments for a moment and draw the attention of the minister to some of the remarks of my colleague from Moose Jaw (Mr. Neil), because I believe the problems involved in phasing into farming are particularly acute in areas where there is homesteading activity or the possibility of earning a considerable amount of money in other occupations, such as in the oil fields of Alberta. A great number of my constituents work in the oil fields and try to become involved in farming on a part-time basis. These people have been caught up in regulations which have been established, for very good reasons, in respect of hobby farmers. Because of this, in very many cases some people are ineligible for a program when there is no real reason for their being ineligible.

In many cases, the people involved have an unusual degree of initiative and ability which should be rewarded by the government when they desire to become involved in agriculture. As it now stands, in areas near oil-producing fields and similar activities it is difficult for individuals of this kind to become eligible for assistance either under this legislation or that which is available from other jurisdictions. I support the contribution of my colleague from Moose Jaw and urge the minister to very seriously consider the hon. member's recommendation, with particular attention to easing the difficulty facing people who wish to phase into farming in areas where a similar problem exists.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I shall also be brief. Our group finds this amendment acceptable and worth while. I believe it should be accepted by the government and I hope the minister will agree to raising the age limit to 40. It is not only very young persons but those who are young, up to age 40, who wish to become involved in farming. All the minister need do is stand up and say he approves of the amendment. I ask the minister to agree, and in that way we can deal with this bill very quickly.

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Agreed.

Motion (Mr. Whittaker) negatived.

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-34, to amend the Farm Credit Act, as reported (without amendment) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Penner): When shall the bill be read the third time?

Some hon. Members: By leave, now.

● (1530)

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, we would be glad to give our consent to third reading of the bill at this time.

The Acting Speaker (Mr. Penner): Is it agreed, by unanimous consent, that the bill be read the third time now?

Some hon. Members: Agreed.

Mr. Whelan moved that the bill be read the third time and do pass.

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

* * *

NORTHERN CANADA POWER COMMISSION ACT

AMENDMENTS TO CONSTITUTION AND POWERS OF COMMISSION

The House resumed, from Wednesday, March 26, consideration of Bill C-13, to amend the Northern Canada Power Commission Act, as reported (without amendment) from the Standing Committee on Indian Affairs and Northern Development, and motion No. 2 of Mr. Nielsen.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, let me refresh the memory of hon. members on the nature of the amendment before us by saying that the bill that has been introduced in the name of the Minister of Indian Affairs and Northern Development (Mr. Buchanan) would delete subsections (1) and (2) of section 6 of the present act. Subsection (2) of the act presently in force requires the Northern Canada Power Commission to account to the governor in council for certain expenditures over the limit of $50,000. The proposal by the minister and the governor in council is to remove that requirement of accountability and in effect to allow the commission to act on its own, to make expenditures on its own, and to act in every other way without the requirement of being accountable to the governor in council or to the House.

The amendment by my colleague, the hon. member for Yukon (Mr. Nielsen), representing as he does the interests of the people of the Yukon and the Northwest Territories, would reinstate the requirement of accountability on behalf of the Northern Canada Power Commission. In view of inflation and for other reasons it might be advisable to change the dollar limit and perhaps to require accountability for expenditures of a higher range than is now the case. That is a matter which we on this side of the House would be prepared seriously to consider. But that is an entirely different question from removing accountability altogether, and it is the total removal of accountability which the minister is now proposing.

As members on this side have made clear on several occasions in questioning in committee and in the House, we would prefer the accountability of the commission to be to the councils of the territories and, preferably to the elected members of those councils. But that is not something we could achieve here today, so we will have to settle for a lesser kind of accountability. Again I emphasize that even a lesser kind of accountability is far prefered to no accountability at all. What the minister is proposing is to establish for that commission the capacity to act without any kind of accountability except as may trickle back through the public service appointments to the board of that corporation.

I simply wish to draw to the attention of the House two very dangerous aspects of the proposal of the government. First is the question of the principle that the Parliament of Canada should be able to exercise some control over the activities of agencies acting in the public name and spending public money, such as the Northern Canada Power Commission. They should not be allowed, particularly a commission of this sort with its special functions, to operate totally freely. That is the principle, and it is a matter which is of particular concern to us here, now, because the capacity of parliament to oversee and to control the activities of various agencies to whose existence we give approval has been eroded over time. So it is important to us as an institution, and to my colleagues and myself, not to allow one more instance of erosion in this case.

The matter of the accountability of public institutions to publicly elected officials is far too important to let it lapse in a case such as this, which might not command the interest of many members of this House, particularly members on the government side, because perhaps they are not interested in what goes on in northern Canada. However, we on this side are interested in what goes on in northern Canada and in the principle that parliament should have the power, not only to spend public funds but also to set public policy in matters which affect the national destiny and to require from public agencies accountability to this institution if it is not possible for them to be held accountable directly to the elected representatives of the people of the Yukon or the Northwest Territories. So the first objection I have to the proposal by the minister to create this unaccountable corporation is one of principle.

My second objection is to the fact that the Northern Canada Power Commission would have the capacity to undertake ventures, to issue regulations and to act in other ways which could cause serious harm to the environment of northern Canada, and which could involve us in major projects undertaken solely at the discretion of the commission without giving us a chance of review or veto,

apart from whatever mechanisms may exist and apply as a result of existing federal laws or regulations.

The Northern Canada Power Commission is not a tiny agency without powers: it is, in fact, an agency which has substantial powers and could make decisions which could have serious and harmful effects upon matters of interest to the House and, indeed, to the country. In my view, it would be possible for the commission, acting on its own, to start another project of the dimensions of the James Bay project. It could become involved in any other kind of project, perhaps of smaller dimensions but nonetheless involving, as all hydro projects do, the possibility of very serious danger to the environment of the area affected. It could become involved in matters relating to the export of power, raising questions of great importance to the whole country and not simply to the select group of people who might sit on the commission. We are dealing here with important matters. The commission would be dealing with important matters. What the minister proposes to do is to allow the commission to deal with matters of great importance to the whole country without having to be responsible or accountable to the whole country through the cabinet, through parliament or through the elected representatives of the two territories concerned.

I want to deal for a moment with the environmental aspects of the power that is being granted to the commission. We all know that whenever major hydro developments are undertaken—and they fall within the ambit of concern of this commission—there is the possibility of environmental damage. This situation may have more severe consequences in northern Canada, the ecology of which is more susceptible to damage than other parts of our country. As is known to members of the Standing Committee on Indian Affairs and Northern Development who accepted the invitation of my colleague, the hon. member for Yukon, to visit Whitehorse last year, there is a great deal of controversy about surveying and about areas in which hydro development should or should not proceed. These are important public questions, but the minister is proposing to allow such questions to be decided in private by a commission which is not accountable to the governor in council and, consequently, indirectly through the minister to the House. To me that is a very dangerous principle involving specific harm to an important part of this country, and I, as one member of parliament who has taken the opportunity—as have several of my colleagues on this side of the House—to visit northern Canada and listen to the concerns of people who live there, feel it is not a capacity we would like to see built into a commission without a great deal of care and deliberation.

● (1540)

I am not sure why the minister wants to attack the principle of accountability. I am not sure why he wants to destroy the present requirement in the law that the commission must be accountable to himself and to his colleagues in a formal, legal way. I do not know why he wants to establish, in this commission, a capacity to do things which might have an effect upon longer range public policy and which might have an important effect on the future of the Yukon and the Northwest Territories, in effect, without accountability. It is a very dangerous principle, and I hope that when the minister comments on the very sensible amendment of my hon. colleague from Yukon he will tell us why he wants to do away with accountability to the governor in council and, consequently, to this parliament, and why he wants to establish this agency with an extraordinary capacity to affect the future of the north.

I assume that the minister will try to answer these questions and justify his insistence upon doing away with the accountability of the Northern Canada Power Commission when he speaks in response to the amendment proposed by the hon. member for Yukon. I simply want to make the point that the onus is very clearly on the government to prove its case, because it is the government which is changing the existing situation. The existing situation has a requirement of accountability. This party is not trying to initiate a major change; it is the government which is initiating a major change—and we want to stop that particular change because it is dangerous to the principle of accountability to parliament. More particularly, it is very dangerous to the future development of the northern territories and its people.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, this amendment and comparable ones have been discussed in previous incarnations of this bill, as well as on this one, on several occasions. I find it rather interesting that hon. members opposite, who usually make great protestations and express great concern about government bureaucracy, government red tape and redundancy, should urge that the government maintain what is basically a redundant feature in the legislation. We feel strongly that this feature is redundant because the governor in council approves all projects. The funds for the projects are included in the main or supplementary estimates, and therefore they are approved by this House. In addition, all individual contracts are submitted to and must be approved by Treasury Board in accordance with the Financial Administration Act.

Therefore, we feel that this is a redundant piece of legislation which unnecessarily complicates the situation, and that the question of accountability which was raised so vigorously by the hon. member for Rocky Mountain (Mr. Clark), is covered. It is covered by the fact that the funds which go to the Northern Canada Power Commission must go through the normal procedures of this House, and then the individual projects are subjected to the scrutiny, and must receive the approval, of Treasury Board, as I indicated, under the terms of the Financial Administration Act. So, basically, we feel that this matter is properly covered as it now exists, and that this deletion is simply in respect of a provision which is no longer necessary.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I, too, would like to make a few comments regarding the amendment put forward by the hon. member for Yukon (Mr. Nielsen) and reiterate a point I made some weeks ago. I was somewhat surprised to hear the comments of the hon. member for Rocky Mountain (Mr. Clark). He also knows that the people in the Yukon and the Northwest Territories are asking for more autonomy and that they would like to be able to make more decisions about matters which concern them. To put a restriction like this on a

[Mr. Clark (Rocky Mountain).]

corporation which works in the north is working against autonomy, in my estimation, and is restricting a corporation which is willing to move up there. So far there have been some very small moves, but not half as many as the people in the Yukon or the Northwest Territories would like to see. We would like very much to have the corporation controlled by the people of the two territories through their elected councils, and to hear their comments regarding restriction of the corporation. We should not put the people of the north again in a position where they have to come down to Ottawa, cap in hand, begging for money for projects to keep the power commission operating. I would therefore like to indicate, for the record, that I am strictly against this amendment as it is too restrictive on the corporation.

The minister mentioned that there are certain restrictions inasmuch as the estimates have to pass through the normal procedures of the standing committee, and so forth. This amendment would add a further restriction. Therefore, I would like to register my protest to this amendment on behalf of the people of the Northwest Territories.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Pursuant to Standing Order 75(11), the recorded division on the motion stands deferred.

Mr. Erik Nielsen (Yukon) moved:

Motion No. 3.

That Bill C-13, an act to amend the Northern Canada Power Commission Act, be amended in clause 4 by striking out the word "Governor" where the same appears in line 23 at page 2 and lines 4 and 5 at page 3 and substituting therefor in each case the word "Commissioner".

He said: Mr. Speaker, it is either because the hon. member for Northwest Territories (Mr. Firth) has chosen not to understand, or he really has an honest lack of understanding for what we are trying to do, that he takes the position he does. The hon. member, in interpreting the view of my colleague from Rocky Mountain (Mr. Clark) and other members of this party who have spoken on these amendments, has distorted—I will not say deliberately but through either an innocent or honest lack of understanding—what we are trying to do here. But I challenge him and his loud-mouthed colleague beside him to try to distort this amendment, calling clearly, as it does, for the decisions to be made by the people of the Yukon and the Northwest Territories. The bill of the government calls for the setting of rates with the approval of the governor in council. For the edification of my friend from the Northwest Territories, that means the cabinet of this House of Commons; it does not mean the council of the Northwest Territories and it does not mean the people represented through their elected members on that council.

● (1550)

Mr. Firth: Mr. Speaker, I should like to ask a question of the hon. member for Yukon (Mr. Nielsen). Which amendment is he referring to, the one we just deferred or the one we are dealing with now?

Mr. Nielsen: Again that illustrates the innocence, the lack of understanding of my friend from the Northwest Territories. We are debating motion No. 3. The government seeks to amend section 10 of the act through clause 4 of this bill. This amendment seeks to wipe out the approval of the governor in council and substitute therefor the approval of the people of the Yukon and the Northwest Territories through their elected representatives on the respective territorial councils. If the hon. member has any further questions, I will be glad to hear them.

Mr. Firth: Mr. Speaker, the hon. member for Yukon seems to be getting a little excited about a matter that is also of importance to me. He does not seem to realize that I am supporting the amendment.

Mr. Nielsen: I am very glad to hear that, Mr. Speaker. We have finally got through to the hon. member for Northwest Territories. If he supports the amendment we are discussing now, then he certainly should have supported the last amendment which calls for exactly the same thing. I want to explain, in the hope of getting through to the minister, the reason why we in the opposition are advancing this amendment.

Mr. Benjamin: Wally is away ahead there.

Mr. Nielsen: Wally will have to get up pretty early in the morning to be ahead of anybody in this party.

Mr. Speaker, what has the governor in council got to do with setting rates for the consumption of electrical energy in the Yukon and Northwest Territories? Why should the governor in council be bothered with setting the rate for the consumption of electrical energy in my home? What sort of national priority does this have? I did not hear the comments of the minister with respect to the previous amendment, but the amendment before us in this bill seeks to have the rates established by the commission, subject to the approval of the governor in council. Surely, in this day and age of a national government being confronted with things much more important than setting my electric light rates, there should be some understanding of the priorities and the legitimate desire of the people of the Yukon and Northwest Territories to have this housekeeping task performed at home.

Where else in this country does the federal government decide on the light bills of consumers? Where else does the federal government, in the form of the governor in council, debate whether the commercial rate for hydro should be

.0145 or .0175? In the provinces this task is, quite properly, conducted by electric utilities boards or public utilities commissions, and it should be done in that fashion in the north.

The amendment before the House would put the responsibility for approval of rates in the hands of the commissioner in council in each of the territorial councils of the northern territories. Because the Chair, on March 26, raised some doubt as to motion No. 4 standing in my name on the order paper, it very much comes into the debate at this stage because if we pass over this amendment—I hope the hon. member for Northwest Territories is listening—and lose it, and if the Chair rules motion No. 4 out of order, there is no backtracking in an effort to make the setting of rates under this clause of the bill subject to the regulation of the local public utilities boards in the Yukon and Northwest Territories.

For that reason, there will be an amendment to this amendment standing in my name, which will be moved by one of my colleagues. In effect, it would make the setting of rates under this clause of the bill subject to the approval of the Yukon and Northwest Territories public utilities boards. If that amendment to this motion fails, then we are left with the choice of substituting the commissioner in council for the governor in council. Of course, if my amendment fails, we are back where we on this side do not want to be, that is, having the rates set subject to the approval of the governor in council. This choice should at least be put to the House and made available to the people of the Northwest Territories and the Yukon. For those who are unfamiliar with the motion that will be debated in a moment or two—that is, motion No. 4 standing in my name—it calls for the whole of the activities of the commission to be subject to the regulatory control of the Northwest Territories or the Yukon public utilities board, as the case may be.

I want to put things in perspective for a moment, Mr. Speaker. When the legislation was passed in 1948 there was no question that the NCPC was going to be a power monopoly in the north. There was no question that they were going to be the sole generators and distributors of electrical energy in the two northern territories. The principle put forward at that time upon which basis the bill received passage was that the commission was to assist the development of industry in the north by making available a source of electrical energy. According to the minister of the day, a Mr. MacKinnon, the object was to supply electrical power at as low a cost as possible, subject to the plants being self-sustaining.

That was the assurance given by a minister of the Crown when this commission was created. We seem to have departed from that principle and the present minister in particular seems to have departed from it. I will come to that in a moment. In the debate on this matter on June 14, 1948, as reported at page 5171 of *Hansard* Mr. MacKinnon said:

> With the approval of the governor in council—

This bears directly on what we are discussing.

> —the commission shall establish schedules or ranges of rates for the power it supplies on the basis of not less than cost, which will include interest on the principal amount made or deemed to have been made to the commission in respect of the plant supplying the power, and all costs of operation and maintenance of the plant lines and other structures, together with costs of administration and salaries. Charges will also cover the establishment and maintenance of a contingency reserve fund. Rates are to be reviewed annually by the commission.

[Mr. Nielsen.]

● (1600)

These matters are reviewed in the provinces by bodies directly responsible to the elected representatives of the people of those provinces. This is not the case with respect to the territories and clause 4 of the bill, which we seek to amend, at present does not provide for such review. We seek to amend clause 4 and to provide for one of two alternatives. We want the setting of rates, as was suggested in the debate of 1948, to be subject to the regulations of our own public utilities boards or, failing that, we want to make the setting of these rates by the commission subject to the decision of the commissioner in council of each of the territories, and in that way give some input power, some responsibility to the elected representatives of the people of the two northern territories, or to agencies responsible to them, rather than to the minister or the governor in council.

A prime example of this government's colonial approach, if I may use that phrase, was made manifest by the answer which the Minister of Indian Affairs and Northern Development (Mr. Buchanan) gave me when I asked who was representing the people of the northern territories with respect to the pricing of oil at the first ministers' conference now being held here. I was not surprised to hear him say that the people of the two northern territories were not represented by any elected representative. I am used to hearing that kind of answer from the treasury benches. All the same, I was astonished to hear the minister admit that he does not even know the names of his own bureaucrats who are listening at the conference and ostensibly protecting the interests of the people of the north.

I suppose the government's view is that we of the north do not know enough to run our own affairs and that the people in Ottawa, 4,000 miles away, know better how to set our electric power rates. If the government thinks that we do not know what electrical power rates should be charged for two, three or four-bedroom houses, and if the government in its schedule of national priorities puts such matters ahead of inflation and unemployment, I suggest that its priorities are distorted.

Allow me, Mr. Speaker, to refer again to the 1948 debate, particularly to remarks recorded at page 5173 of *Hansard* for June 14. An hon. member participating said that the Yukon Consolidated Gold Corporation, a private corporation which was dredging for gold, was supplying power to the citizens of Dawson city at exorbitant rates. Mr. Archibald said:

> The company there had its own electric plants to operate the dredges, but it is taking the citizens of Dawson city to the cleaners through the high rates it is charging.

Some 26 years later, the people of the area are still complaining that the Northern Canada Power Commission is taking them to the cleaners. The commission held a public meeting, the first of its kind, in the Yukon. I do not know whether the same has been done in the Northwest Territories. The meeting took place in the last part of February, and about all it received were complaints about

the high rates being charged for electrical energy. Officials of the commission responded by saying that increased costs in the last year, particularly of diesel fuel which run the diesel generators, were responsible for the increased charges.

The citizens of Dawson city, of the Yukon and the Northwest Territories, are isolated. They depend on diesel fuel, the cost of which has been going up. The price of oil, a matter of vital interest to the people of the Yukon and the Northwest Territories, is being dealt with at the conference across the way; yet the people of the territories are not given any input through elected representatives with respect to the setting of oil prices, including diesel oil prices. There is not a damned thing we can do. I think it is sad when citizens of Canada who live in our two northern territories are denied privileges which are accorded other Canadians through the electoral process. This is a sad state of affairs.

Members taking part in the 1948 debate were concerned in case the body being created by the government became a monopoly. The right hon. member for Prince Albert (Mr. Diefenbaker), who was active in that debate, said as recorded at page 5174 of *Hansard:*

> I did not quite understand the minister. Did he say that when this commission takes over it will enjoy a monopoly privilege in the production and distribution of power within the territories? Is that the general plan in view?

The minister, Mr. MacKinnon, replied, "It is not a monopoly of power." As reported at page 5175 of *Hansard,* the right hon. member for Prince Albert said:

> Thank you, sir. I come back to this matter because the minister takes so many words to answer a simple question. Is it the intention of the Northwest Territories power commission to be the exclusive producer and distributor of power within the Northwest Territories, subject to the existence of one company which at the present time generates power there?

The right hon. member was referring to the Yellowknife Consolidated Gold Corporation. Mr. MacKinnon, the minister, again replied at considerable length but did not quite answer the question and the right hon. member for Prince Albert had to ask the question again, to which the minister replied as follows, as recorded at page 5175:

> I think it is essential at times to add something to the answer rather than to say merely yes or no. But in this particular case, answering briefly, I would say that it is not the intention of the government or the commission to do what is suggested by the hon. member.

The right hon. member had asked whether there was to be a monopoly in the production and distribution of power. *Hansard* then records the following exchange:

> MR. DIEFENBAKER: To have a monopoly?
>
> MR. MACKINNON: Yes.

The minister agreed that it was not intended to provide a monopoly power. Clearly, when Northern Canada Power Corporation was created it was not intended to give it a monopoly in the production and distribution of power. Last January 20 a meeting was held, presumably in the minister's office or close to it. Several people took part in this meeting, representing the industry and the department, including the minister. It is my information that he was there with his deputy and his special assistant—I believe Mr. Robinson is the name. The meeting got under way at 9.30 in the morning and the minister, according to my information, made the statement that the Northern Canada Power Commission had been granted the exclusive right to produce and distribute power within the territories, local distribution to be decided by the local government.

● (1610)

Mr. Speaker, I take exception to the statement by the minister, if he made it, and I have no reason to believe he did not. He said the Northern Canada Power Commission had been granted the exclusive right to produce and transmit power within the territories. Nothing of the kind! Nowhere in the present act is there any statement that the commission has an exclusive right to produce or distribute power within the two territories, and nowhere in this bill do we find such a provision. So it ill behooves the minister to attempt to leave the belief among his listeners that somehow legislation is in existence, or is about to come into existence, which gives the commission the exclusive right to produce and distribute power within the Yukon and the Northwest Territories.

The amendment to the act of 1948 which was brought forward in 1956 again raised this question, and the minister of northern affairs of that day who was sponsoring the bill was asked whether some kind of monopoly would be created with respect to the production and distribution of electrical power in the Yukon. The minister, Mr. Lesage, gave the same kind of assurance. Reports of the debates will be found in *Hansard* of February 27, 1956, April 25, 1956, and July 30, 1956. To sum up briefly, the minister of that day, Mr. Lesage, gave the same kind of assurance as was given by Mr. MacKinnon.

I suggest to the House and to the minister that the only reason those bills were passed in those days was this assurance, and that it is an act of deception to come before the House now and take a position different from that which obtained at the time of the passage of the act of 1948 and the amendment of 1956. It is an act of deception, perhaps unintentional, on the part of the minister to suggest there is some kind of legal exclusiveness in the right of the NCPC to produce and distribute power in the Yukon and the Northwest Territories. It is simply not true in law. If the minister wants to create a policy outside the powers contained in the act, that is another matter. It is not unusual to find ministers in this government exceeding the powers given to them by legislation. If any hon. members are skeptical in this regard, I have no doubt I shall be able to convince them. The hon. member for Northwest Territories will be particularly interested since I believe there are one or two profitable power generation plants in his constituency.

The existing legislation permits any revenues generated by any one plant in the system to be used for the purpose of improving that plant or for distribution by way of rate reductions to consumers of the power generated by that plant. That is what the act says and that is what the existing legislation permits the commission to do. But when we ask in committee or, on occasion, in the House whether the commission has been complying or not, they say, "Of course we have been complying. We are not breaking the law." I then point out that they have been tabling a financial statement on a plant by plant basis since 1948, yet all of a sudden this practice stopped—three

years ago, to be precise. I ask why, and they say, "There is no particular reason, except that continuance of the old practice might give our competitors the edge over us."

Mr. Speaker, the rates of competitors are fully exposed through the public utilities boards of each of the territories. What the commission has in fact been doing contravenes what the law requires, namely that profits should be used to improve plant or reduce rates to the consumers. The commission has been taking revenue derived from plants which are making money and lending it to plants which are losing money. They say, of course, that the money is being lent at appropriate rates of interest, that it realizes a proper return. But the practice is still not justified in light of the prohibition contained in the act. What the commission is doing is a breach of the law, and it should not be permitted.

While, as a citizen of the Yukon, I do not mind revenues from the plant at Whitehorse being used to lend money to the losing plant at Dawson city or at Mayo, I do object to revenues earned at Whitehorse being lent to a losing plant in Field, British Columbia, or in Moose Factory, Ontario. This is why I say there should be control not only over the rates set by the commission but also over the manner in which the moneys are spent. The cabinet has certainly acquiesced in this illegal practice on the part of the commission—and while the minister was appointed to office only recently, I must include him in the cabinet for the purpose of condemning him and the cabinet.

Instead of lending these moneys to Moose Factory, Ontario, Field, B.C., and other losing plants in the system, the commission should have been giving us, as consumers in the north, the benefit of either plant improvement or rate reductions, and these have been denied us. That is what the act of 1948 and the amendment of 1956 contemplated. In direct contravention of the law, the commission has denied us this benefit and instead has applied those revenues in an unlawful fashion to make loans to plants which were losing money.

Again I remind hon. members that my hon. friend who will be following me in the debate will be moving an amendment to my amendment, so the House will be left with a choice of placing the rates in the hands of the public utilities boards or, failing that, in the hands of the commissioner in council. I hope one of these two amendments will be adopted. Failing that, I suppose we must go along with the idea that according to the cabinet's system of priorities, the setting of rates for consumers in the territories is far more important than dealing with inflation, unemployment and all the serious and urgent problems which confront this country.

● (1620)

I would think that the minister would want to get out of the rate setting business. If he is going to pay more than lip service to the idea of giving the people of the north more say in their affairs, I would think he would be eager to say to the members of this House, "Yes, indeed, any rate set by the commission should go to your public utilities board; I will accept your amendment". Or if he did not like that, at least he ought to say, "Yes, indeed, let the commissioner in council be the body that approves the rates, and not the governor in council; we do not want to be bothered setting rates for the households in Whitehorse, Frobisher Bay and Innuvik".

I hope the minister will do this and get rid of this headache of his. Having said that, and in the hope that the minister might consider these matters favourably, I have nothing further to add.

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, in following my colleague from Yukon (Mr. Nielsen) to speak in support of motion No. 3 to amend the bill now before the House, I cannot help but express some sympathy for the minister so early in his career having to defend a measure that has been portrayed during this debate and in committee as such an unpopular and colonial step so far as the people of the Yukon and Northwest Territories are concerned. I know the minister personally, of course, and I sympathize with him. It is not his nature to do the kind of things that are contained in this bill. Unless I am a very poor judge of character, I do not assess the minister's integrity in the way it is portrayed in this bill. He shakes his head; he agrees with me.

I wonder why, after all these years with the Northern Canada Power Commission, we are now giving the commission a total monopoly. It was argued in committee by some of the officials that the provinces have established Crown corporations for the purpose of assuring their citizens an adequate supply and efficient distribution of power. The fact is that the Yukon and Northwest Territories are not provinces. There is no political tribunal for the people of the territories; they must come to Ottawa if they have questions to ask about the conduct of this very important utility.

It was very apparent in committee that the officials of the northern power commission took every effort and went to great pains—I know this is a very strong statement to make—to undermine the integrity and discredit the conduct of the private companies that are now operating in the Yukon. Here is what happened, Madam Speaker: officials examined the transfer of funds by these private companies from the Yukon to other parts of Canada and, indeed, to places outside Canada and evidence was put before the committee of the exact amount that these companies transferred from the Yukon—money that was identified as profits that the companies made—to other areas where these private companies operated.

Let me examine for a moment the word "profit". To a private company, the participation of its shareholders is a cost of doing business, as is the distribution of dividends. It should also be interesting to examine the transfer of funds from the northern power commission to Edmonton, where its head office is now, and also to Ottawa. This examination was not carried out by these same officials; however, it was said in committee that the profits being made in the Yukon and Northwest Territories are being transferred to other parts of the world.

The reason we have to establish a monopoly for the northern power commission in the Yukon and Northwest Territories, in my opinion, is that the commission has become embarrassed by these private companies. These private companies have traditionally shown a better record in regard to the production of cheap power, the efficient production, distribution and transmission of

power, and have traditionally displayed better corporate citizenship. The committee heard evidence that some of these private companies have helped with community affairs which the government and the power commission have not been able to do. It was established that the northwest power commission has sold power to one of the private companies in excess of the price at which it is selling power to its own customers, yet this private company has been able to satisfy its own customers.

The cost of doing business in the Yukon is very high, as it is in the Northwest Territories. We agree that the establishment of rate zones, as is the case with other Crown corporations operating in the provinces, is likely to be a good thing; but why did it have to be done in this manner? Why were we not given the financial statements for the last three years which show the profit made by some of the plants operating in these territories and might embarrass us in regard to how these funds should be applied? Why cannot we be honest with each other and say that there are areas in the Northwest Territories and the Yukon which have extreme difficulty in maintaining some kind of rate that would enable a private citizen to use electricity in his home and to have some of the essential services? If we had seen these financial statements we would have been able to compare them with the operations of the private companies, to the embarrassment of the government.

The motion before the House asks that the rate be set by someone other than the cabinet here in Ottawa. Surely there must be some local autonomy in a vital question like this. Let us recall the fact that in some provinces, owing to the lack of rural electrification, it became necessary for the government to assume the responsibility of taking over private enterprise in order to assure the proper distribution of power. Since everything is shaped in that way, surely we must also take the final step, once equal distribution is achieved, of insisting that the setting of the rates remains with an authority in the area where the power is to be generated, transmitted and distributed.

● (1630)

Surely the minister will want to rise before this debate is completed and lend his support to that idea. I have had occasion to travel to the Yukon with the minister and I have enjoyed a number of private discussions with him when he has expressed his desire and willingness to pass on as much autonomy as possible to the Yukon and Northwest Territories. Surely, in an area as vital as this, the minister will want to assure adequate representation on the part of those elected to protect the interests of these territories, particularly in relation to the matter under discussion.

We must remember that in the Yukon and Northwest Territories 40 per cent of all the jobs are held by civil servants. It is much easier to understand the speeches and remarks of hon. members from these territories, who are constantly expressing their suspicion about the activities and dealings between Ottawa and the territorial councils, when we realize how many civil servants there are in the territories administering the business of the people there who are spread over such a vast area.

We are not talking about an area that is poor, or one that needs subsidization. We are talking about territories that are carrying on activities such as gold mining, the harvesting of asbestos and tungsten, as well as fur trapping, commercial fishing in the Yukon, and territories with a significant number of oil discoveries. Our eager eyes are looking at these territories as the storehouse of our future; they have sawmills and many other important industries which contribute to the well-being of this country as a whole. All kinds of funds are being transferred from the Yukon and Northwest Territories to Ottawa.

What the people in the territories are really asking for is a place at the table where vital decisions are made. The hon. member for Northwest Territories (Mr. Firth) has already said he will support this motion, and my colleague who will speak after me intends to propose an amendment to motion No. 3 in the name of the hon. member for Yukon. I hope the minister will insist on a time slot during this debate in order to express his own desire to adhere to the wishes of the people of the territories and to respond to this very significant amendment in a positive way.

Mr. Doug Neil (Moose Jaw): Madam Speaker, my remarks will be relatively brief, as the hon. member for Yukon (Mr. Nielsen) and the hon. member for Prince George-Peace River (Mr. Oberle) have spoken at length on motion No. 3 and the proposed amendment. During the Easter break I had the opportunity of reading some of the history of Saskatchewan and Alberta and their aspirations and hopes prior to becoming provinces of Canada. A somewhat similar situation exists today in respect of the Yukon and the Northwest Territories in that there is hope that before long these areas will become provinces of Canada.

It was interesting to note that a number of the briefs presented by organizations that appeared before the committee expressed this hope. Also, the minister appeared before the committee and indicated he was looking forward to the day when each of the territories became a province. The officials of the NCPC said they were looking forward to the day when the commission was divided in two, one part being in the Northwest Territories to handle power production and distribution there and the other in the Yukon to do the same thing in that area. This is what will happen when each of the territories becomes a province. We have to be fair to the people in the territories. I do not think these areas will become provinces within the next year or two, but we must plan gradually for the day when they do. It seems to me this can be done by giving the territorial councils and the elected representatives of the territories more power.

The motion as it stands, and I intend to propose an amendment to it, has this idea as its purpose. Motion No. 3 provides for the substitution of "commissioner in council" for "governor in council". This would mean that representatives of the people of the Yukon and Northwest Territories would have more input and more control over the setting of rates. It seems to me this would be one step toward self-government by the people in these territories. I propose to read my amendment to motion No. 3 first, and then discuss it, Madam Speaker. I move:

That motion No. 3 to amend Bill C-13, an act to amend the Northern Canada Power Commission Act, be amended by deleting all of the

words after the word "case" in line 6 of the said motion No. 3, and substituting therefor the following:

"the Public Utilities Board of the Yukon Territory or the Northwest Territories as the case may be".

What we are proposing by this amendment is the substitution of the public utilities board in each of the territories for the commissioner in council. This will mean that the boards responsible in each of the territories will have the opportunity of considering and deciding on the rates that will be charged by the commission. It is important that we give the territories more and more responsibility as the days and years go by, because the people there are now or will ultimately be entitled to self-government. I think all of us on this side of the House—in fact, on all sides—are looking forward to that day. I urge the minister to seriously consider supporting this amendment to motion No. 3.

● (1640)

The Acting Speaker (Mrs. Morin): The Chair would like to study further the amendment of the hon. member for Moose Jaw (Mr. Neil), and perhaps with the agreement of the House the debate could continue and a decision might be rendered later.

Mr. Joe Clark (Rocky Mountain): Madam Speaker, I do not intend to speak at great length on this matter. I gather that it would be inappropriate for me at this stage to speak to the amendment under consideration. I think the principle is the same in either case; it is the principle of having decisions which affect the localities of the Northwest Territories and the Yukon decided in those localities rather than by the cabinet or the governor in council. I would hope and expect, from what the minister said in speaking on the previous amendment, that this is a change which would recommend itself to the minister and the government precisely because it helps avoid the kind of red tape about which he was speaking with respect to the earlier amendment.

What we have in the bill the minister has introduced—which has come through the change that we are now considering—is really a quite remarkable proposal to anyone acquainted with the situation in the colonial parts of Canada, the Northwest Territories and the Yukon. It is a situation where utility rates in those areas must come to the federal cabinet for decision. As a representative in this House of the national parks, I am acquainted with that kind of situation because in the townsites of Banff and Jasper questions concerning the licensing of dogs must be decided by the Minister of Indian Affairs and Northern Development. As a result of the minister following the initiative of the committee of which he was a distinguished chairman, that situation is likely soon to change: at least, I understand that changes are in the works.

Unfortunately, there has not been as much movement toward bringing a kind of real democracy to the northern territories as there has been in respect of bringing a greater degree of democracy to local governments in townsites within the national parks. I think it is a quite remarkable fact that in this bill the government again appears to be attempting to confirm the unhappy colonial status of residents of the two great territories of the north, the Yukon and the Northwest Territories, by making them, in effect, come to the cabinet of Canada for approval for setting rates relating to the Northern Canada Power Commission.

Both proposals, the original motion of my colleague the hon. member for Yukon (Mr. Nielsen) and the amendment introduced by my colleague the hon. member for Moose Jaw (Mr. Neil), would allow that matter—which surely is a local matter, because if anything is a local matter, utility rates are—to be decided in the territories either by the commissioner and the council or more directly, as proposed by my friend from Moose Jaw, by the public utility boards of the respective territories.

It is very tempting to consider the kind of arrangement the cabinet would have to establish to deal with its heavy responsibility of adjudicating rates in respect of turning on or off the lights in the Northwest Territories or the Yukon. We do not know much about what goes on in cabinet, but one thing we do know is that it has a very active committee system; various ministers are assigned special responsibilities concerning committees of cabinet. If this bill should pass without the amendment, I presume this would mean that a special subcommittee would be established to deal with turning off and on the lights in the Northwest Territories and the Yukon.

Mr. Nielsen: Let there be light.

Mr. Clark (Rocky Mountain): This is an indication of the absurdity of a responsibility, which is essentially a local responsibility related to essentially a local matter, being held by the cabinet of Canada. What alarms us here is not simply the absurdity of it, because I confess we have become rather accustomed to absurdity from that side of the House, but rather that this is one more instance of clinging colonialism which unfortunately has been the hallmark of the attitude of this government toward the people, including the elected representatives of the Northwest Territories and the Yukon.

Unless there is some compelling reason which is not evident to us as to why this must be a matter for the attention of the Prime Minister of Canada—that is, the turning on and off of the lights in the territories—and unless we can be shown that there is some compelling requirement for this matter to occupy the attention of these people, it would seem to be absurd that this power should not be vested where it belongs, that is, with the people and institutions of the parts of Canada which exclusively it affects.

My colleague suggested that perhaps there is some kind of association with the biblical phrase "Let there be light," and that a responsibility which has to do with such authority could not be delegated to mere colonials in the territories. I think that if there is a justification for this absurd action, it is a justification of similar absurdity. What we propose here, if these amendments are approved and come before the House for final consideration, is a change which would be simple to accomplish and which in fact would have limited significance to the role of the House of Commons, but would clear away from the cabinet—which we hope is occupied with other things—the heavy responsibility for turning on and off the lights in the Northwest Territories and the Yukon. It would also clear away the impression symbolized by this act that

there has been an attitude of colonialism perhaps evidenced by the cabinet toward the people of the Northwest Territories and the Yukon.

Our amendments are very simple and the principle is clear. When the matter is local, and surely the turning on and off of lights is local, the responsibility should be local. Yet the bill says otherwise. We have in the amendment of my colleague from Yukon, and the further amendment of my colleague from Moose Jaw, introduced a simple mechanism to return to the local officials responsibility for what is in practice and in fact purely a local matter. Prior to his ascension to those greater heights, the minister in his earlier incarnation demonstrated a certain reasonableness from time to time. I hope that virtue has not entirely departed from him and that he will be reasonable in dealing with this simple amendment to make a slight dint in the unhappy legacy of the colonialism of his predecessors toward the north.

● (1650)

I hope the minister will accept the simple mechanism we are providing and allow the people of the Yukon and the Northwest Territories at least the responsibility to decide when, how and at what cost their lights will be turned on.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Madam Speaker, this matter of the territorial public utilities board was discussed by us at some length, not only in the debate on the bill before us in its present incarnation but in the debates on previous measures. In the discussion in the standing committee I made the following remarks:

> It has been suggested repeatedly that the Northern Canada Power Commission be answerable to the respective territorial public utilities boards. There are two questions, in my opinion, of practicability involved here.
>
> From a jurisdictional viewpoint, we find that it has not been the practice to require federal agencies to report to boards appointed by a junior level of government, such as a province or a territory.
>
> The second problem derives from the very purpose of the public utilities boards. These are normally established to control private enterprise utility operations in order to ensure that the rates charged produce no more than reasonable rates of return on capital invested. Since the commission is prohibited by law from making a profit, this form of control is not required.
>
> This is recognized in all provinces, where none of the provincial hydro corporations is answerable to the provincial utilities boards. In view of the doubts that have been expressed to the committee, the commission has sought, and to date has obtained, written confirmation of this point from the following: the British Columbia Hydro and Power Authority; the Saskatchewan Power Corporation; Manitoba Hydro; Ontario Hydro; the New Brunswick Electric Power Commission; and the Nova Scotia Power Commission. Quebec Hydro has indicated verbally that it does not make itself accountable either. We have not yet received written confirmation, therefore they were not included in this list.
>
> Notwithstanding provincial practice, the commission, wishing to take the fullest possible account of the views of the territorial utilities boards, has initiated the practice of seeking counsel and advice on pending rate changes and on the extent of equalization within the proposed rate zones.

Madam Speaker, as I indicated, I find the position of hon. members opposite inconsistent. In the previous amendment they argued for increased involvement and intervention of the governor in council to approve contracts of over $60,000 in value. Now there is an about-face and they are suggesting it is wrong to have the involvement of the governor in council and that it should not be done at that level. I would just like to say that I share the desire of northerners to run their own affairs. This bill responds to that desire by increasing the size of the Northern Canada Power Commission by two members, from three to five members. These two members are to come from each of the territories.

In addition, as I have indicated before, recently the commissioner of the Northwest Territories was named chairman of the Northern Canada Power Commission, so that now northerners on that board will outnumber the others three to two. So we are optimistic that they will have a significant role to play in the operation of the Northern Canada Power Commission. As I say, we look forward to the day when the commission will have a majority of northerners sitting on the board.

I also indicated in the committee that I look forward to the day when we will be in a position to split the Northern Canada Power Commission and to have one power commission resident in the Yukon and the other power commission resident in the Northwest Territories. I am sure that desire is shared by the hon. member for Northwest Territories (Mr. Firth) and the hon. member for Yukon (Mr. Nielsen).

The amendment of the hon. member for Yukon would seek to substitute the commissioner in council for the governor in council for the approval of rate zones and for the establishment of a contingency reserve fund. In our view, since the Northern Canada Power Commission is responsible to the Parliament of Canada through the minister, it should not also have to seek authority from the commissioner in council. This would require formal council debate on motion and approval for any rate zone and schedule to be changed and also for the contingency fund to be built up. With respect to the latter, territorial councils provide no part of the funds spent by the commission and therefore should have no say in the contingency fund that the commission feels it needs to carry. In any event, with Commissioner Smith as chairman, and two northerners appointed as commissioners, there will be full input by northern representatives in any of these decisions.

Mr. Erik Nielsen (Yukon): Madam Speaker, I cannot let some of these statements by the minister go unanswered. I hope he does not get into a rut. He is pulling the same stunt that was pulled by his predecessor in speaking about the separate entity of the territorial governments in the Yukon and the Northwest Territories when it suits him, and when it does not suit him he forgets all about this entity of the territorial governments. He has done that by saying, on the one hand, that the government wants to see as much input as possible by the people of the north into the decision-making process in their own affairs, and so on. Yet when it comes to comparing the procedures that are followed with respect to the setting of the rate by public utilities in the provinces, he makes an argument saying that in none of the provinces which he mentioned is the procedure followed where the utility has to submit its rate to a public utilities commission, that the province does its own policing of the rates, not the federal government.

By adopting that argument, what the minister is in effect saying is that there is no such thing as a territorial

entity, that the government will make the decisions here. I put it to him that his argument, if it has any strength at all, has strength in the existence of a territorial entity capable of dealing with the setting and reviewing of rates in the same fashion as the provincial government. If he uses the argument in the sense that he is urging upon members of the House his view that there is no such thing as the territorial government because the function of rate setting and reviewing will be done here and not at the territorial level, even if his argument is correct, and I will go along with it, then surely the review and the approval should be at the territorial level and not at the federal level.

The minister says that great strides have been made within the act for the purpose of injecting territorial input into the decision-making process, and he cites in support of that the fact that the council will be increased to five members and there will be one member from each of the territories. But that still leaves a majority of three—

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but before going on to other business I would like to inform the hon. member for Moose Jaw (Mr. Neil) that there is some doubt as to the acceptability of his amendment. However, a decision will be rendered later.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Social Security—Proposed eligibility for old age pension at 60; the hon. member for Edmonton-Strathcona (Mr. Roche)—Abortion—Suggested investigation of reason for high rate in British Columbia, Ontario and Alberta; the hon. member for Northwest Territories (Mr. Firth)—Northern Affairs—Reason for removal of heavy equipment from Fort Smith vocational training school.

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

[Mr. Nielsen.]

● (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

LETTER FROM MINISTER OF JUSTICE TO SECRETARY OF STATE RESPECTING GRANT TO WOMEN'S GROUP

The House resumed, from Thursday February 27, consideration of the motion of Mr. Fairweather:

That an order of the House do issue for a copy of a letter written by the Minister of Justice to the Secretary of State, dated October 21, 1974, about a grant to a women's group in Saskatoon.

Mr. G. W. Baldwin (Peace River): Madam Speaker, I lend my support to this very worthwhile application by my hon. friend from Fundy-Royal (Mr. Fairweather). I think he is doing this House and the country a great service by being one who persists in presenting to the House and the country the need for a more open system of government in Canada. We must have more candour and more honesty. We have had inflicted on us by ministers, parliamentary secretaries, senior mandarins, junior mandarins and civil servants who have a craving to prepare a great many documents for the purposes of show and tell only, a paper blizzard, documents which say much but inform little. This is the problem we face. There cannot be an informed and intelligent electorate, with a government which is responsive to the needs of the people and which will provide policies to deal with those needs, unless there is a system by which the government is compelled to provide information which is needed.

I have spoken on this subject in this House many times before and I intend to speak about it as often as I can. I see my hon. friend sitting across the floor today who was at the committee where I spoke the other day. I hope that he was persuaded to some extent by what I had to say and that he might be persuaded to agree with me on the views I am about to express.

I do not suggest that the government does not tell us all we want to know because it is a matter of corrupt, evil or bad actions on their part. It is a desire to conceal mistakes; it is a desire to erect a paper curtain behind which the government can operate free from inspection by this House or by the public so that it can make mistakes, be guilty of bad judgment and yet preserve that passion for perfection and the need to appear impeccable, which is the trademark of all mandarins and many of the people in government.

The other day in the committee before which I appeared, I quoted—and I am going to take the time to quote them in this House—some very interesting observations by people and by commissions which amply support the proposition which my hon. friend from Fundy-Royal has brought forward. In 1964, the Prime Minister (Mr. Trudeau)—not yet having jumped into the Parliamentary waters but obviously thinking of it, because it was just a few months before he was elected—said this:

Democratic progress requires the ready availability of true and complete information. In this way, people can objectively evaluate their government's policies. To act otherwise is to give way to despotic secrecy—

An hon. Member: Hear, hear!

Mr. Baldwin: I think my hon. friend is applauding because he agrees with me. I hope he will agree with me when the opportunity comes to put into effect provisions in this House which will make the Prime Minister's words before he came into the House conform with the rules of the House. The Minister of Finance (Mr. Turner), then the minister of justice, in an address made at the annual meeting of the Canadian Bar Association in September, 1969, made a very strong statement. I will not read it all but just a couple of sentences as follows:

> Government secrecy is sometimes legitimated as the state's right to privacy, but may well be a denial of the public right to know. If individual privacy is a foundation of democracy, the citizen's right to know is fundamental to any participatory democracy.

The final sentences uttered by the then minister of justice in discussing whether, in the case of trials where the government is a litigant, the executive should have the right to deny the court information which is part of the essential evidence, were as follows:

> —I should perhaps add that I personally favour the view that the judiciary rather than the executive should, to the greatest possible extent, be left to determine whether documents should be produced and to balance the various conflicting public interests that may be involved—

At a later date the then minister of justice, at the conference on computers in May of 1970, said the following:

> In other words, government secrecy is sometimes legitimated as the need for a government's right to privacy but which may well be a denial of the public right to know—

He was repeating what he had said earlier. He ended with the following statement:

> —what is necessary, then, is a freedom of information act entitling the individual to information which the government authority has arbitrarily seen fit to withhold—

I will quote very briefly from the recommendations of the task force on government information. Several prominent members of the public service today were involved in that: Mr. Bernard Ostry, Mr. Tom Ford and Mr. D'Iberville Fortier. Their final recommendation in this task force, which was surveying the entire question of information, the need of the public to know and the compulsion on the government to inform, was in the following terms:

> The right of Canadians to full, objective and timely information and the obligation of the state to provide such information about its programs and policies be publicly declared and stand as the foundation for the development of new government policies in this field. This right and obligation might be comprehended within a new constitution in the context of freedom of expression.

In another paragraph, which I think is extremely pertinent and bears out what I said before, that the feeling that people in government must appear to the public always to be right, rather than any deep-seated, instinctive compulsion for corruption, the following appears—and this was a task force which travelled through this country and spoke to many people:

> Many felt that the government information services aim primarily to please the ministers and to gild departmental escutcheons; that the public on occasion had to force information out of them; that the information was given in scraps and driblets and, often, only when its release suited someone's idea of political expediency. Certain departments were said to deliberately withhold information of public interest if there was a chance it might tarnish the departmental image. It was argued that the failure of departments to reveal the flaws in their programs could conceivably have the unfortunate effect of hiding from the government itself important changes in the very conditions under which such programs were taking place. One group insisted there were cases in which departments had suppressed research because the results might have discredited previously enunciated departmental theories.

I could go on in detail but I will not. I will simply refer to a report made by the Economic Council of Canada in its eighth annual review in September of 1971 which, in its final paragraph, made a comparable recommendation. In June, 1971, the Science Council of Canada which was undertaking a special study dealing with fishery and wildlife resources, surveyed people in this field all across the country and made similar observations.

● (1710)

I deduce from all this that people in government—and I think it is probably more true of people in government service than of elected people in government—have this fear of being caught in an error. They are anxious to avoid the appearance that the propositions and the advice they give to their minister or department may, in the light of future events, turn out to be incorrect. This is the main cause of so much of the secrecy in government, and I do not see why it should be so. We all make mistakes. Even Mr. Speaker makes mistakes occasionally. The problem there, however, is that we are not allowed to challenge him in this House. I think the distinguished occupant of the chair at the moment is prepared to admit that some of the decisions he has made during the course of his career in the chair might, upon reflection, have been changed. I see a smile which I take to mean assent.

I make mistakes. Amiable and distinguished members of the government party opposite make mistakes. Why in the name of heaven should people in government service and the government ministers feel that they are different? The public would have a great deal more respect for the processes of government and those engaged in it if occupants of the seats of the mighty would admit from time to time that they were wrong. There would then be a greater measure of candor, less cynicism and much more respect—and today this government needs the respect of the people it governs, the people for whom it legislates. Instead, people in this House, people in government in particular and people in the public service are reluctant to admit they have ever been wrong.

Some months ago the Minister of Finance brought down a budget in which there were errors and miscalculations. They were probably quite honestly based on information given to him by his public servants. I think he would have greater respect from the people of the country today if he would stand up and say, "I was wrong. I made a mistake and because of errors and misjudgments, many of which were the result of advice tendered by people in my department, and economists. We have got into a mess; I admit that, and now we are going to try to come up with some new ideas." I suggest that if any minister of finance had the courage to do that, he would gain a greater degree of respect and admiration from the people of the country. In this House we need the support and respect of the people, and we do not have it today.

I am not concerned about Gallup polls, Mr. Speaker. When you cross this country from the east coast to the

west coast and talk to people, it does not take more than half a dozen sentences before it becomes apparent what little respect and how much cynicism and distrust exist. I put it down to the fact that people have reached the stage that they do not believe a word that this government or its supporters has to say—not only this government but provincial governments and municipal governments, and not only in Canada but in the United States as well.

The trouble in Indo-China that the United States faced for many years came about as a result of the lies and deceptions practised by the Johnson administration in the Gulf of Tonkin incident when the armed forces presented a fictitious scenario, a plan which led congress to put certain economic power to declare war into the hands of the president. We see the tragic consequences of that today, and it was disclosed in the Pentagon papers. There is not very much respect for government in the United States today.

We have not reached that stage yet, Mr. Speaker, and I plead, particularly with members on the government side, that we should bear that in mind. The government should make sure that there is a greater flow of honest factual information to the people of Canada.

Mr. S. Victor Railton (Welland): Mr. Speaker, the hon. member for Peace River (Mr. Baldwin) made a very fine speech. He knows a great deal about this subject as he is an old parliamentarian. I enter this debate as a layman, not an expert. I know the hon. member once referred to me as having a certain amount of political virginity—

Mr. Baldwin: No, intellectual virginity.

Mr. Railton: I hope he still thinks so.

Mr. Baldwin: I think you have lost it since then.

Mr. Railton: To get to the case in point, Mr. Speaker, the hon. member for Fundy-Royal (Mr. Fairweather) has moved for the production of papers on a certain matter involving the Secretary of State (Mr. Faulkner) and the Minister of Justice (Mr. Lang). From what I can make out, the hon. member for Fundy-Royal wishes to have made public some advice which was asked of the Minister of Justice by the Secretary of State.

Mr. Fairweather: No; the other way around.

Mr. Railton: I am sorry; it was the other way around. The reply was considered by the minister as a legal letter of advice which, of course, is exactly the same as a solicitor's written advice to a client. I think it is well understood that information of this kind is protected in civilian life and, similarly, it is protected in a governmental exchange. Advice of the type given, let us all admit, is confidential; it is restricted and can only be released with the consent of the party asking or receiving, or both. In addition, there is frequently a third party.

I am not too sure why the papers were asked for, but I think it was about some group in Saskatchewan that was requesting a grant. I am not certain of the purpose of the grant. Of course, the third party in this case might very well have wished to have the correspondence made public. In a different case, however, the third party might take the opposite view and expressly instruct that the information be kept confidential.

The case referred to concerns a confidential legal opinion and is somewhat parallel to the advice that a doctor gives to a patient, which is strictly confidential. When a doctor obtains his licence he accepts the premise that his advice regarding a patient is privileged, confidential and secret. His case records should not be released without the consent of the patient or his legal adviser. The doctor can give a confidential opinion, if the patient agrees. He could, I suppose, give a non-technical, off-the-cuff report or opinion on the patient; but if it is inaccurate, untrue or given without consent, he could be sued.

● (1720)

This, then, is the situation we are discussing today. We are talking about the confidentiality and implicit restrictiveness of a paper which expresses a legal opinion which could involve two ministers of the Crown. Why should we have to argue the point? Surely it is clear. In private life, restricted information or legal opinions could, if made public, be used against the individual in question either through malice, sharp business or just gossip. So in government practice the making public of secret information could harm either one of the two ministers or even the group or agency which may have been the subject of the discussion in the first place. I submit that the government has taken the correct course in refusing to make public confidential information. Surely no one would deny this fact.

I have heard this subject and similar subjects discussed many times in private members' hour. This is but one of several similar occasions I have witnessed since my election to this House. If I remember correctly, the government House leader of the twenty-ninth parliament tabled as appendix B to *Hansard* of March 15, 1973, under the heading "Notices of motions for the production of papers", general principles outlining the government's position on this subject. The guidelines were covered by 16 points which all seemed reasonable. They related to internal departmental memoranda, interdepartmental confidential memos, secret information, communication with foreign powers, certain national defence information, research into future policies, preparation of government bills, and so on. Apart from dealing with national secrets which might be conveyed to an alien power, they placed emphasis on confidentiality. Surely it is obvious that when the government or a government official asks for an opinion from a private person, group or agency, that opinion or good advice might not be forthcoming unless there were an understanding that the opinion or advice was to be strictly confidential and protected.

The other day I read my own comments as recorded in *Hansard* to do with a certain notice of motion for the production of papers. I also read what I had said in the Joint Committee on Regulations and other Statutory Instruments. I refer hon. members to page 1384 of *Hansard* for April 11, 1974. The debate in question arose from the request for the production of papers to do with cabinet discussions on the Veterans Land Act. The motion was moved by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and seconded by the hon. member for Winnipeg North Centre (Mr. Knowles). The debate

itself centred on the Veterans Land Act; the notice of motion for the production of papers was merely a ploy to obtain a debate.

I am sure that both the mover and seconder of the motion knew that their request for the production of papers was not acceptable. They were asking for details of internal cabinet discussions and no doubt expected to be unsuccessful. We heard a certain amount of humbug. There was talk about democracy and some suggestion that it is the people's right to have these papers made public. Surely it is an important tenet of democracy that we shall protect officers of the Crown and their confidential advisers. I contended in that debate that the notes and memos of a minister running a department should be confidential as he may be discussing a program that might be retired, changed or initiated.

On January 23, 1975, I once more participated in a debate on the production of papers. I refer particularly to page 2551 of *Hansard* for that day. On that occasion the hon. member for Winnipeg North (Mr. Orlikow) asked for a long list showing the salaries of civil servants and also for the confidential report of the advisory committee. Such information fell under the category of "Consultant Studies" as set out in appendix B on page 2288 of *Hansard* for March 15, 1973. Naturally, when the consulting or advisory group was asked to make its report, it was determined that it was confidential. Also, naturally, it was implied that the resulting government decision would be made public.

Not only has this subject been discussed in the House; it has also been discussed on three occasions in the Joint Committee on Regulations and other Statutory Instruments. The main witness appearing before the committee on February 25, 1975, was Professor Rowat who was, as one would expect, in favour of loosening the guidelines, to give, in his captivating phraseology, more information to the citizens of Canada. He contended that far more information could be made public than the government is at present making public. He suggested that almost all conversations, letters, reports of meetings and government research in many fields should and could be opened widely to public gaze.

The principal witness appearing before the committee on March 4, 1975, was Dr. Dunton, formerly president of Carleton University. He contended, in the main, that a great deal of the knowledge gained by lower government circles when they explore new concepts and policies involving, for instance, pipelines, transportation, fiscal policies or possible projected changes should immediately be made available to lower echelons in parliament, to both government and opposition members. I point out that the hon. member for Kenora-Rainy River (Mr. Reid) appeared as a witness before the committee when it met on March 11 this year.

My reaction to all this is that premature release of information may be as bad as late release. Surely it is necessary and reasonable for the government, for the Prime Minister and the cabinet to hold discussions for some time before announcing an impending or possible new policy thrust. They must be given an opportunity to be in possession of most of the facts before other people possess them, because they are responsible for showing leadership in ensuing debates. I am of the opinion that this government, as its record will show, has been generous in producing background information.

Mr. Clark (Rocky Mountain): Even you can't keep a straight face.

Mr. Railton: If one reviews the record of the past few years to do with taxation, agriculture, inflation, rising food prices, natural resources, law of the sea, the international monetary fund, world oil prices, Syncrude, pipelines and immigration, one will see that this government has made available a great deal of information for the benefit of members of parliament and the public. The standing committee discussed procedures in other countries. Sweden, in particular, was represented as the ideal socialist state and was said to have advanced liberal laws allowing more public acquisition of confidential material. On close scrutiny it turns out that this is not quite correct. Members who have been there report that this ideal state of affairs is mythical. True, the laws are there, but in practice those members think more information can be dug out in Canada than in Sweden.

In conclusion, I say that we come out well in any comparison. The present government's policies and guidelines in divulging restrictive information are, in reality, better than those of most other countries. Of course, I expect opposition members to attempt to discover hidden facts, and as often as possible. That is their job. I also hope—I think members expect this—that the government will continually review its guidelines, accept criticism and attempt to liberalize, wherever possible, its treatment of restricted information.

● (1730)

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I want to begin by referring briefly to the remarks just made by the hon. member for Welland (Mr. Railton) and to say that I noted, though I was not particularly impressed by, the idea that the public is the patient in its relationship with the Government of Canada. I think the analogy the hon. member used was inapt in that particular, and I do not think it an apt analogy for another reason, that is to say, the reason for which this debate was generated being exactly opposite the case of someone, say, the Secretary of State, going to the Minister of Justice (Mr. Lang) and seeking a legal opinion.

What happened in this case was that the Minister of Justice sought to impose upon his colleague a legal opinion which was not requested. That surely changes any client relationship, even if the client relationship were a valid analogy for keeping from the people and the Parliament of Canada important exchanges of which this is only one symbol. The point was made by my distinguished hon. friend from Fundy-Royal earlier when opening this discussion, that what is at issue here is not the content of this particular letter but, instead, the practice which has unfortunately become deeply ingrained in the government of keeping information from parliament and from the people of Canada.

I am following in this debate, and I am honoured to do so, two hon. members, for Fundy-Royal (Mr. Fairweather), and for Peace River (Mr. Baldwin), who have won the

respect of parliament and of observers of parliament for their knowledge of the rules and procedures here. I participate as a junior member of parliament who has been surprised in my short time in this House at how often I am told that public business has to be kept from me, that I cannot be told about this or that, that I cannot be trusted with certain information. I am told this often, as we all are as newcomers to this House. As members of the House of Commons of Canada we are in the category of restricted people who cannot be trusted with information. Surely that is a situation which should not be allowed to continue.

The problem with respect to the insistence on secrecy does not apply simply to the failure of the government to produce papers. I spoke recently to an assistant deputy minister, someone who, incidentally, is earning more than any of us here, and he told me that he didn't wish to be quoted but that if he followed the habit around here he would have to stamp "secret" on the toilet paper because that particular classification was so much in use.

Mr. Beatty: Probably because it was bought from a Liberal without tender.

Mr. Clark (Rocky Mountain): There are a number of other instances of secrecy here. I want to deal quickly with some of them. The point was made earlier about consultants' reports. We now contract out a great deal of the responsibility for decision-making to consultants. Nearly a billion dollars is being spent on consultants' fees. Yet very many of the reports which are received, reports which should be public information, are hidden from us. They are hidden from members in this House. We are not to be trusted. We are not to be trusted with these reports which are provided by consultants, at an annual fee of a billion dollars, to advise the government. That is one instance.

I want to go back to something my hon. friend from Peace River mentioned when he talked about the report which inspired the development of Information Canada. There was heavy emphasis in that report on a sort of ombudsman role, a role which would not simply involve a big machine spewing out propaganda year after year from Ottawa to the country, but which would somehow go out and try to gather opinions from the country and feed them back to Ottawa.

The report envisaged that someone would go out and try to find grievances and make sure they were corrected. But that part of the report was ignored. The part which was acted upon was the part dealing with propaganda. So we have a very serious situation now in which Information Canada only sends out the approved version of information which, in many cases, and I say this with regret, cannot be trusted to reflect the facts.

As well, Information Canada has led to an immense duplication of information facilities. For every member of the press gallery there are ten or 15 information officers dumping stuff on their desks, sending out the approved versions, elbowing up to them at the bar of the Press Club to make sure that the approved version is communicated to the country. That is a very sophisticated and large propaganda machine, something which should be of concern to everyone in this House who is worried about the right of Canadians to know what is going on in the country.

Another developing practice has been that of making important announcements outside the House instead of inside the Commons. The Minister of Finance (Mr. Turner) today, for example, announced his new economic policy, which I remind hon. members on the other side is an incomes policy. He did not make his announcement here in the House but outside the House.

Again, we have witnessed the frequent practice of answers to serious questions being given flippantly in the House so that another means of access to information is cut down. We even get from our distinguished and well-respected Secretary of State for External Affairs (Mr. MacEachen), now that there is a fixed time limit to questions in the period, answers given by him to every question very, very, slowly so as to consume as much time as he possibly can. This cuts into our capacity to elicit information through the question period.

During the last few weeks a very surprising experience relating to questions of national security happened to be discovered by chance. We were putting questions to an unprepared minister in a standing committee and it came to light that it was the practice to fudge the estimates, not to be honest with the House of Commons and the people of Canada in the estimates which were brought forward because the government hides votes for security services in a range of departments.

When that matter was raised in the House the minister, the Minister of State for Science and Technology (Mr. Drury), announced the government's preparedness to set up some kind of arrangement by which members could be briefed on questions of security. Yesterday I sought leave to introduce a motion to urge the House leaders to go ahead with that arrangement. But it was voted down by members of the other side. They did that at the beginning of the question period and then, a few minutes later, talking out of the other side of their mouths, they refused to answer questions on security matters on the grounds that such things should not be discussed in the House. They said under the standing order they should not be discussed anywhere; they said in the question period that they should not be discussed in the House of Commons. It is unfortunately the position of the Government of Canada that important questions relating to security as well as to other matters should not be discussed anywhere. Mr. Speaker, that is not a position which anyone interested in a democracy can accept without a great deal of fear.

A degree of confidentiality has, of course, to apply, perhaps in all matters and certainly in security matters. But that is a quite different principle from the principle which is enunciated and illustrated by the government, which says you cannot trust parliament and you cannot trust the people with anything except the approved versions sent out under the imprimatur of Information Canada.

I recall in 1968, Mr. Speaker, in the election campaign of the Prime Minister (Mr. Trudeau), the heavy emphasis that was placed upon the phrase "participatory democracy". There was a heavy emphasis placed on getting people involved. Well, we all know that the basic essential element to participation is information. You cannot have

participatory democracy, both words, unless the people are informed. If you are going to have the people receive only approved versions, you are going to have participatory something else. It won't be participatory democracy. The danger is that it will be neither.

I make the point—I emphasize it—that it is not just members of this House who suffer from the prejudice which is illustrated in the refusal to publish the letter which gave rise to this debate, it is also the people of Canada generally, and our very system, because as my colleague from Peace River said earlier, the system of democratic and parliamentary government is suffering seriously from the cynicism which has been engendered across this land in part by the feeling that you cannot trust politicians to tell the truth. They will give a partial truth, or if there is some information which is important for them to keep they will stamp "secret" on it and refuse to let you have it. That is a very serious, cancerous cynicism and it has directly to do, among other causes, with the insistence on secrecy of the government we have today.

● (1740)

As a member of parliament who comes from outside central Canada, as one who comes from a rural constituency not particularly well represented in the public service, with views, attitudes and even prejudices which are perhaps not replicated in the senior public service or treasury benches, I want to talk for a moment about the danger of basing decisions upon wrong information. What we have here is not simply a refusal to publish information and to let members of parliament know. What we have here is a situation that ensures that decisions are taken by a tight little group whose practices of secrecy allow no ventilation. There is no certainty that they are acting on premises that are shared in northern Quebec or western Alberta, or in any other part of Canada that is some distance, be it in miles, ideas or views, from the cabinet or senior public service.

That, in a country of such diversity and fragility as ours, is a highly dangerous situation, one that I hope my colleagues on the other side, who I believe are worried about unity and the future of this country, will seriously consider, because this insistence on secrecy leads to decisions that do not reflect the needs and requirements of this country, and it can serve to disunify us, perhaps drastically.

My colleague from Welland, and the parliamentary secretary who spoke before him earlier in this debate, referred to this letter as being a legal opinion. That happens to be the dodge, or the excuse, in this case. In other cases when there are legitimate demands for information that should be in the public domain other excuses are given for not making the information available. There is always some reason why the practice is not to make the information available to the public.

I think the question that we should face is not: is it the practice? Because of course it is. The government has set the practice. It is a practice designed to keep as much information as confidential as possible. Rather the question here is: why are we slaves to that practice? Why do we have it? Clearly it is wrong to keep information from the people of Canada, from the democratically elected representatives of the people. As a general principle I think we would all agree it is wrong. Yet it is the practice. And so the members on the government side of the House allow themselves to be lulled to sleep by the incantation that the wrong that we are committing is a wrong that it is the practice to commit. I say that that is not good enough.

Clearly we need a society—certainly we need a parliament—where as much information as possible is known. I think others want to participate in this debate, Madam Speaker, so I will stop now by asking the representatives of the government here today: why fear an informed parliament? Why do they fear an informed public? Why insist on a practice of holding back information that would allow the public and parliament to be informed about the facts on which decisions are based?

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Madam Speaker, may I first congratulate that last speaker, the hon. member for Rocky Mountain (Mr. Clark), and the hon. member for Peace River (Mr. Baldwin) who preceded, him, for their eloquent speeches. Much of what they said made a great deal of sense. Hopefully in the not too distant future some changes will take place which will mean more information will be made available.

However, on the particular issue before us today it is with reluctance that I oppose the motion of the hon. member for Fundy-Royal (Mr. Fairweather). I am sure all members would like to see as much information made available as could be made available. We on this side of the House are faced with the same limitations in this regard as those across the way and, as our duties and obligations to those we represent are similar, we share the same frustrations when unable to obtain a certain document or piece of information which we may deem pertinent in carrying out these duties. However, representatives from all parties in past debate on this subject have agreed that free and unlimited access to all information and documents was impossible, or certainly unwise.

In order to clarify the situation, guidelines were established indicating several categories of restrictions for the production of government papers or documents. I think we are all aware of what these guidelines are; they were made public and consist of some 16 different items. The purpose of the guidelines is to ensure required confidentiality for the effective functioning of government while at the same time guaranteeing access to all government papers not meeting the specific restrictions. However, many opposition members feel that the application of these guidelines leaves too much power of discretion in the hands of the government, and obviously this motion is a case in point. The motion of the hon. member was refused because it was classified "legal opinion or advice provided for the use of the government", the very first restriction listed in the guidelines for exempting documents from publication.

This motion is quite unique in that the hon. member is requesting a document, most of which he admits has been made available by the media, and the minister has refused to release a copy of the letter in question although he, too, knows that its unauthorized release took place months ago. Therefore the actual production of this particular letter is irrelevant; the question is simply should or should not this document, or more broadly this type of document,

be made available to members, and therefore to the public?

To someone who is unfamiliar with the workings of parliament, it must seem redundant and somewhat suspect for members to be debating the disclosure of a certain document that has already been disclosed. However, I do not feel it is redundant, nor do I suspect the motives of either the hon. member for Fundy-Royal, who served with distinction as joint chairman of the Standing Committee on Regulations and other Statutory Instruments which first examined the guidelines, or those of the Minister of Justice (Mr. Lang), for the question before us is of fundamental importance. It deals with rights of members to have access to information; the well-established practice of including the opinion of law officers of the Crown on a question of government policy in the class of confidential documents; and the possibility of establishing a precedent in the compulsory disclosure of certain information, the effects of which on the performance of the government, to say the least, would be uncertain.

It is this latter point about which I am most concerned. My hon. friend, the Parliamentary Secretary to the Minister of Justice (Mr. Marceau), has pointed out that, just because in the case before us some or all of the documents containing the legal opinion may have become available to the media, this is no reason why we should abandon the tradition that such confidential documents should not be disclosed. It has been shown where this tradition has been withheld in a number of rulings.

Even if it could be demonstrated that the disclosure of the particular letters in question does not create any of the negative effects which the guidelines were established to prevent, it would still be unwise to produce the document. For this document clearly is a legal advice provided for the use of the government and, as such, falls into the first criterion for exempting government papers from production. To produce this document would be to reject that particular criterion and the long-established and accepted practice on this point.

Nor can it be argued that because the disclosure of the letter really did not disrupt the functioning of the government, then the category under which it was restricted should be abolished. This would be like someone saying Russian roulette is a safe pastime because they once struck upon an empty chamber while playing it. It is not possible to allow for the disclosure of some legal opinion and withholding other such opinion. It is an all or nothing proposition, or may as well be. If a person giving legal advice has to worry about whether this advice will be made public, then the value of the advice will be questionable at best.

The important point at question is not the contents of a document as such, but rather the nature of those contents. I have said that the motion for the production of papers before us is unique in that we know the contents of the particular letter in question. This information actually acts as more of a hindrance than help in that it distracts us from the real point. In other motions of this kind we do not know the actual contents of the government information requested, and must debate them solely on the nature of the contents of the requested information.

[Mr. Robinson.]

If the guidelines were based only on the contents of government papers or documents as opposed to the nature of the contents, then they would be much less restrictive and permit far greater access to governmental information. This is because much of what is considered confidential could be released, and by itself would not cause too much disruption to the operation of government. The document which the member is requesting is an example, as are a number of other leaks of different kinds which have taken place in recent years. However, if these leaks were to occur on a large scale, or compulsory disclosure of documents were based on their individual content, then I feel the cumulative effect on the effective functioning of government would be disastrous.

● (1750)

This debate reflects the growing concern about public access to governmental information and the complications and contradictions that have arisen in this regard in the past number of years. From the earliest times governments of all types have been anxious to preserve secrecy for matters affecting the safety or tactical advantages of the state. However, dangers to the state have changed in character and become more complex, and have come to seem internal as well as external.

The activities of government increasingly affect all the affairs of the citizen. Its economic discussions have come to be considered no less vital to the basis of the life of the community than decisions on defence. Advances in science have both peacetime and military applications. Rapid changes in society, and the increased influence of centralized institutions further complicate the issue. More and more information about the private affairs of citizens comes into the possession of the government, and there is a feeling that the government should safeguard the confidences of the citizen almost as strictly as it guards information of use to the enemy.

On the other hand, these developments have increased the need for more effective, democratic control. This means more information to enable citizens to make rational decisions about matters affecting their lives. Progress in education and in technology has increased the possibility of circulating information on a wide scale and in considerable detail.

A report presented to the British parliament by a committee chaired by Lord Franks stated that:

> We are faced... with an increased area in which consideration of secrecy may arise, and at the same time with an increased need for the diffusion of information together with the technical capacity to supply this need.

Similarly, Professor Donald C. Rowat, of Carleton University, tells us:

> There will always be the problem of drawing the line between the government's need to deliberate confidentially and the public's need of information. It is simply a question of emphasis.

It is exactly this question of emphasis, and the problem of drawing the line between what documents should be disclosed and which should not, that we are discussing today. The hon. member for Fundy-Royal stated clearly that the issue was not abortion and that the motion had really little to do with the copy of a letter, but rather the

issue was greater accessibility to governmental information or, more pointedly, secrecy in government.

I stated at the outset that I was somewhat reluctant to oppose the motion because I was sympathetic to the objective of greater accessibility to information and less secrecy in government. However, we must proceed carefully in this direction. It would not do simply to throw away the guidelines governing the production of papers and open the flood gates to free access to information.

I believe that most members would agree that the positive benefits accrued by such action would be heavily outweighed by the damage done to the effective operation of our democratic government. Furthermore, whatever weaknesses and criticisms members may see in the guidelines, they serve an important role; first of underlining the acceptance of the principle that government has to justify its withholding of facts, and second, of providing a focus where constructive criticisms and suggestions for a greater flow of information can take place. Even those members who have been strong critics of the scope and application of the guidelines have conceded that their introduction was a very considerable step forward in that it indicated a realization that there was a need to deal with public access to governmental information.

The Standing Joint Committee on Regulations and Other Statutory Instruments, of which the hon. member for Fundy-Royal was former joint chairman, and of which I am now a member, is indeed dealing with this subject at the present time. I am grateful to the hon. member for having initiated this debate which will be helpful to me in those deliberations, as I am sure it will be to other members of the committee.

However, I am unable to accept the motion, for to do so would be to render useless the very first criterion for exempting government papers from production, and would seriously undermine the guidelines as a whole. I am not arguing that the guidelines are perfect, for I feel many of the criticisms against them are valid and means must be found to open up much more information to the public. However, until these means are found and other alternatives put forward, the guidelines must remain. At the present time, for better or for worse, they are all we have.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, in the few minutes there are left I should like to make a few brief comments and to associate myself completely with my colleague, the hon. member for Fundy-Royal (Mr. Fairweather), in his request that the government be more forthcoming with information that should properly be in the public domain.

It is one of the facts of life that many people who have been watching governments have noticed that they are very quick to classify information which can be potentially embarrassing to government. Having heard the speech of the hon. member for Welland (Mr. Railton), I can only say that if the government is anxious to classify information which could be potentially embarrassing to it, it should first have considered the hon. member's speech.

The particular case before us graphically illustrates the tendency of government to treat information about the activities of public officials, in their public responsibility in respect of the dispensation of public funds, as its private property. It is interesting to note that the document it is classifying as secret has already in fact been released to the press and is public property. This says something about a government that would take this attitude toward information which is already public and should properly be public. Governments by their very nature tend to be more protective in respect of information in the public sector and more contemptuous of the right to privacy of information in the private sector.

I was interested, when doing some research for the debate today, to read the following from an excellent book by David Wise, entitled "The Politics of Lying";

> ... when information which properly belongs to the public is systematically withheld by those in power, the people soon become ignorant of their own affairs, distrustful of those who manage them, and—eventually—incapable of determining their own destinies.

The irony of that statement is that the author was former President Nixon of the United States. This is one of the facts of life, and the speech of the hon. member for Welland has made former President Nixon look extremely progressive in his viewpoint.

We had an experience just yesterday of the government House leader, the President of the Privy Council (Mr. Sharp), specifically refusing a motion proposed by my colleague, the hon. member for Rocky Mountain (Mr. Clark), seconded by myself, which would have given parliament the opportunity to have some parliamentary overview of information which is classified as secret by the government. The government refused to have the House leaders get together to consider a mechanism for parliamentary over-view. Later in the day the Acting Prime Minister, the same man, had the gall to tell the House of Commons that it was improper then for the House of Commons to debate matters like this in a public forum. In other words, it could not be debated in private because the government refused to set up the mechanism to consider this, and it could not be debated in public because the government felt this information should not be made public. Certainly from my point of view that graphically illustrates the attitude of the government toward secrecy. Mr. Speaker, I see that it is six o'clock.

Mr. Deputy Speaker: The hour appointed for the consideration of private members' business has now expired. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

NORTHERN CANADA POWER COMMISSION ACT

AMENDMENTS TO CONSTITUTION AND POWERS OF COMMISSION

The House resumed consideration of Bill C-13, to amend the Northern Canada Power Commission Act, as reported (without amendment) from the Standing Committee on

Indian Affairs and Northern Development and Motion No. 3 (Mr. Nielsen) and the amendment (Mr. Neil) thereto.

Mr. Deputy Speaker: Order, please. When the House proceeded to the consideration of private members' hour the hon. member for Yukon (Mr. Nielsen) had the floor on an amendment upon which the Chair had some reservations and some doubts in relation to its procedural acceptability. Of course I do not wish to prevent the hon. member from completing his remarks on the doubtful amendment, so I wonder whether he is seeking the floor to continue his speech, in which event I will rule afterward. The hon. member for Yukon.

Mr. Erik Nielsen (Yukon): Mr. Speaker, to carry on in respect of the doubtful question or doubtful amendment, the minister told us how we had made this great step toward, providing an input by the citizens of the Northwest Territories and the Yukon Territory into the decisions of the commission by touting the two additional members who will be sitting on the commission of five. I was making the point that this still gives the government a majority of three.

The minister makes much of the fact that when this bill was first introduced he appointed the Commissioner for the Yukon Territory as chairman of the commission. That is no different from the unsatisfactory state of affairs that existed for so many years heretofore when his deputy minister and the previous deputy minister were chairmen of the commission, and so we go back all the way to 1948.

● (2010)

Having the Commissioner for the Yukon as chairman of the Northern Canada Power Commission is no different than having the deputy minister as chairman because he is a government servant, he will take his instructions from the minister, and he will do precisely what he is told to do by the minister as he does now. So there is no difference at all in the change. I am sure the minister is aware of the fact that brief after brief was presented to the standing committee calling for a commission of seven, the majority of whom would be people outside government service. Then we would have a meaningful majority and a meaningful input into the decisions of the commission—something that we do not have now.

The last point the minister made in response to our plea to him to have rate approvals and reviews subject to the decision of the people in the two territories, either through the regulatory vehicle of the public utilities board or through the commissioner in council, was that this would be far too cumbersome and that all we would really be doing would be substituting one body for the other. I suggest to him that it is far better to have these decisions made by the people whom they concern most, rather than having the rates for public utilities in the Yukon be a matter for consideration by the cabinet. It seems to me to be a misplacement of priorities for the government to place that as an urgent matter over other matters before the House.

The minister spoke of the future when the Northern Canada Power Commission might be divided into two bodies, one functioning in the Yukon and the other in the Northwest Territories. That is no bar at present to having the rate structure set, reviewed and approved by the elected representatives of the people in the north at this time. It ill serves the minister to suggest that by giving this kind of power to the bodies in the north, parliament will somehow lose control. That is not the case because he knows that the commissioner in each territory takes his instructions from him, and he knows that if he does not approve of a rate that has been set by the commission, or of a rate zone that is established by the commission, he can inform the respective commissioner in whichever territory it involves of his views and instruct him accordingly. So really the minister has ultimate control. That is the state of affairs. It would not detract one iota from his responsibilities and powers.

Having said that, I will take no more time on the amendment of my colleague, the hon. member for Moose Jaw (Mr. Neil), in the hope that before making any ruling on the acceptability of the amendment hon. members will be given the opportunity to reply to Your Honour's doubts, which I hope will be expressed by you before calling for those views.

Mr. Deputy Speaker: Order, please. Before we proceed further, and upon the invitation of the hon. member for Yukon, let me say at this time that I will soon make a ruling on the acceptability of the proposed amendment moved by the hon. member for Moose Jaw (Mr. Neil), upon which the Chair had some reservations before we stopped our proceedings for private member's hour this afternoon. This gave the opportunity to the hon. member to contribute further to the debate, which I do not question.

Let me say, for the better understanding of hon. members and because I wish to invite them to put forward their point of view on the acceptability of the amendment, that although the hon. member for Yukon might be speaking for the third time when he rises to speak again, he will be speaking on the procedural point.

I do not think I should say any more at this time. Let me only bring to the attention of hon. members a couple of points of reference. First I should like to refer to the first few lines of a citation at page 381 of May's eighteenth edition, which read as follows:

> The fundamental rule that debate must be relevant to a question necessarily involves the rule that every amendment must be relevant to the question on which the amendment is proposed.

In the view of the Chair the question before the House now is not the bill but the motion of the hon. member for Yukon.

Let me also refer to citation 203(1) of Beauchesne's fourth edition at page 171, which reads:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

Paragraph (3) reads:

> An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

The ruling that I am ready to make will be mainly based on these two citations, and also on Standing Order 75(5) which obliges hon. members to give notice if they want to put forward at the report stage, an amendment to a piece of legislation before the House.

Mr. Nielsen: Mr. Speaker, permit me first to make a submission with respect to the applicability of Standing Order 75(5). In my respectful submisson that rule does not apply to anything other than a notice of an amendment to a bill, and contains a further refinement requiring that that notice make reference to the appearance thereof on the notice paper. I do not believe that that rule was ever intended to preclude members from moving amendments at the report stage. If that intrepretation were to be placed on Standing Order 75(5), it would mean that all other members of the House would be precluded from moving any amendment to any of the motions now standing in my name on the order paper. In my respectful submission that standing order was never intended to be applied in that restrictive sense. It follows consequently that all hon. members are free to move an amendment to a motion which appears properly on the order paper at the report stage of any bill.

Dealing with the other two points raised by the Chair, I take it that both deal with the question of relevancy. The authority quoted by you, Sir, cites a long standing rule of the House that not only debate must be relevant but any amendment must also be relevant. I can only assume that the Chair has doubts with respect to the substance of the amendment moved by the hon. member for Moose Jaw, perhaps by virtue of a failure to appreciate the intricacies and the finer points involved in the legislation and the structure within which that legislation operates in the territorial scheme of things in this federal structure of ours.

● (2020)

Clause 4 of the bill purports to make any rates which are set by the Northern Canada Power Commission subject to the approval of the governor in council. To say that the amendment moved by the hon. member for Moose Jaw is out of order on the ground that his amendment, calling as it does for that power to reside in the hands of a public utilities board rather than the governor in council, is to suggest that any amendment which would substitute any body other than the governor in council for the purpose of performing the function called for in a government bill would be irrelevant, and it would therefore follow that the motion on the order paper would also be irrelevant and therefore out of order, which I submit is certainly not the intention of the rule as to relevancy.

I would suggest that the relevance rule cited by Your Honour would catch any amendment moved which attempted to do away in its entirety with the function which is to be performed by the governor in council under the government bill, and by the commissioner in council under motion No. 3 standing in my name. The rule as to relevance, in my submission, does not apply to the function of the governor in council under clause 4 of the bill. If I, by my motion, or if the hon. member for Moose Jaw, by his motion, had suggested that the approval of the fire department or of the dogcatcher of the city of Whitehorse would perform that function, I might find myself in some agreement with the Chair, but in my respectful submission the suggestion in my motion No. 3 on the order paper, that the approval of the commissioner in council rather than that of the governor in council should be sought, does not make that motion out of order on the grounds of irrelevancy.

If Your Honour accepts that, then the amendment put forward by the hon. member for Moose Jaw attempting to substitute for Commissioner in Council the public utilities board of the Yukon and Northwest Territories must also be a proper amendment. In order for an amendment to be caught by the relevancy rule with respect to this section, the amendment would have to introduce a subject matter which could not in any way be relevant or connected to clause 4(3) of the bill, but the mere substitution of one agency for that which is called for under the terms of the proposed subsection (3) of section 10 in clause 4 of the bill does not make the matter irrelevant.

In the event that the preliminary statement made by Your Honour did not encompass the inventory of possible objections the Chair might have, I might anticipate that it could be said by the Chair that substituting anything for the phrase "governor in council" would somehow be objectionable by reason of the fact that we were eliminating the omnipotent powers of the governor in council under our constitution, but here I simply point to the government's action in the amendment to section 6 of the act where it abolished in its entirety the control of the governor in council over the activities of the commission.

In brief summary, Standing Order 75(5) simply was never intended to prohibit members from moving amendments to motions standing on the order paper which have been moved in the proper way under Standing Order 75(5). Second, the rule as to relevancy, in my respectful submission, was never intended to prohibit a member from seeking, as in this instance, to substitute a different vehicle for the purpose of approving rates set by the commission.

All motion No. 3 seeks to do is substitute the commissioner in council for governor in council, and all the amendment proposed by the hon. member for Moose Jaw seeks to do is replace that amendment with another one which would make the approval of the public utilities board necessary rather than either the commissioner in council or the governor in council. Thank you for hearing me, Sir.

Mr. Deputy Speaker: If there is no other hon. member who wishes to express his point of view on this amendment proposed by the hon. member for Moose Jaw, I shall try to be as explicit as possible and make my decision in the light of the comments made by the hon. member, but at the same time in the light of my convictions and on the basis of the practices and the rules of this House. I wish to remind hon. members that this applies to any kind of ruling or decision rendered by the Chair.

The Chair is not here to judge the value of an amendment nor to support an amendment as to its substance. The hon. member for Yukon in his remarks addressed himself to whether the Chair was capable of seeing the substance of the amendment because of the complicated nature of the legislation before the House at this time and the implications of the amendments. He was actually asking the Chair to make a judgment on the legislation proposed, and more or less make a decision on a proposal

moved at the report stage by the hon. member which does only one thing, and upon which he has given notice.

The hon. member's motion No. 3 seeks to replace the word governor with the word commissioner and, by my interpretation of Standing Oder 75(5), the fact that the hon. member did propose such a limited and a restricted amendment he also precluded other members from moving amendments to his motion. But the Chair cannot get into this question because I know that on some occasions the hon. member himself, and other hon. members, might prepare amendments or motions for the purpose of preventing other members from moving amendments or subamendments to them.

I do not feel that Standing Order 75(5) is restrictive. It is up to the initiative and the will of hon. members to try to attach in their own way amendments to motions, or subamendments to amendments, but they have to do it within the confines of the rules. The rules under which we proceed at this time are quite explicit, and they require hon. members to give notice.

● (2030)

Returning to my first point, the one that the hon. member seemed to agree with generally as to the question of relevancy, he will have to admit that, his proposal being so limited, providing for a change from the word governor to the word commissioner, then the proposal made as an amendment by the hon. member for Moose Jaw is completely outside that proposition. Of course the Chair also has to ask himself whether the hon. member for Yukon would have the same opinion if the hon. member for Moose Jaw had proposed the words "the House of Commons" instead of a public utilities board. The Chair is not here to judge whether the hon. member for Yukon is satisfied with the amendment which is proposed.

To my mind the amendment which has been moved by the hon. member for Moose Jaw is completely foreign to the motion that is before the House at this time. Of course it is not foreign to the bill, and the hon. member for Moose Jaw had all the latitude and all the time that any hon. member had to put his proposal forward under Standing Order 75(5) by giving 24 hours' notice. His proposition would thus be before the House, and the House would make a decision. But to try to force the Chair into creating a precedent by the use of an amendment to a motion, thus bringing in a completely new matter which is no less than a substitute proposition to delete the basic proposition, and the only proposition which is included in the motion would, I think, create a bad precedent. At the same time I wonder if the motion proposed by the hon. member for Moose Jaw is not also in anticipation of motion No. 4 which will be coming before the House later.

Because of all these considerations I find it very difficult to follow the points raised by the hon. member for Yukon. I can refer him to many precedents, the latest being a decision by the hon. member for Beauharnois-Salaberry (Mr. Laniel) who was occupying the chair in the House of Commons on December 17, 1973. I am sure if the hon. member takes the trouble to read most of the decisions made by the Chair in regard to proceedings at report stage he will find this decision to be the right one.

[Mr. Deputy Speaker.]

For all these reasons I cannot accept the amendment proposed by the hon. member for Moose Jaw. The House is now considering motion No. 3 which appears in the name of the hon. member for Yukon. Is the House ready for the question?

Mr. Neil: I would therefore have a further amendment, Mr. Speaker.

Mr. Deputy Speaker: Order, please. I have to preclude the hon. member who has already spoken when he moved his amendment. I am ready to allow a few seconds for hon. members if they wish to participate.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in light of the ruling you have just made I should like to move the following amendment:

That motion No. 3 to amend Bill C-13, an act to amend the Northern Canada Power Commission Act, be amended by deleting all of the words after the words "out" in line 3 of the said motion No. 3 and substituting therefor the words "with the approval of the Governor in Council" where the same appear in lines 22 and 23 at page 2 and the words "on such basis as may be approved by the Governor in Council" where the same appear in lines 3, 4 and 5 on page 3 and by adding to clause 4 next after lines 5 on page 3 the following:

(e) All schedules or ranges of rates for public utilities supplied by the commission under this act and the rates to be charged within those schedules or ranges established pursuant to this section shall be subject to approval by the Yukon Public Utilities Board or the Northwest Territories Public Utilities Board as the case may be.

Mr. Deputy Speaker: I hope the hon. member will not mind if the Chair takes time to read this proposal, which is quite complicated. Are there any other hon. members who have not already spoken who wish to participate while I consider this proposition?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I just thought I would say that there is a phrase in the Book of Revelation that says "There was silence in Heaven for the space of half an hour". Maybe we can enjoy a little bit of Heaven right here.

Mr. Nielsen: I might also say that there was something in one of the books somewhere that says "Let there be light". That is what we are debating.

Mr. Reid: Mr. Speaker, it seems to me that, if you repeated the ruling you have just given, that would be more than adequate to deal with this new amendment.

Mr. Deputy Speaker: Order, please. I finally found my way through the proposed amendment of the hon. member for Brandon-Souris (Mr. Dinsdale). I have to say that this amendment has to be ruled out of order completely at the outset because, to repeat what I have said about relevancy, the rule of giving 24 hours' notice for a new proposition applies even more to this one. The hon. member for Brandon-Souris, or any other hon. members whether they have participated in the debate or not, will see in comparing motion No. 3 to the amendment just moved by the hon. member that the amendment takes out all of the proposition. It takes out the meat of the point that was put forward in the change that was proposed by the hon. member for the Yukon. Without repeating myself I must say I cannot accept the amendment. If hon. members will look at the amendment, they will find that it does not

meet the requirements of the standing orders, practices and rules of this House. Therefore I cannot accept it.

● (2040)

Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

Because the House spent quite a few minutes on the procedural debate, I wonder if hon. members would agree to consider motion No. 5 now. The Chair has already given notice about its position regarding the acceptability of motion No. 4, and after the House has disposed of motion No. 5 perhaps hon. members will express their views on the procedural acceptability of motion No. 4. We will now consider motion No. 5.

Mr. Erik Nielsen (Yukon) moved:

That Bill C-13, an act to amend the Northern Canada Power Commission Act, be amended in Clause 5 by striking out lines 8 to 16 at page 3 and substituting the following therefor:

13. The Commission may investigate a project and advise the Minister or the Commissioner in Council of the Northwest Territories or the Commissioner in Council of the Yukon Territory, as the case may be, of the areas that might be served, the estimated amount of capital required, and the proposed rates that in the opinion of the Commission would produce revenue equal to the costs specified in section 10.

He said: Mr. Speaker—

Mr. Benjamin: This had better be good.

Mr. Nielsen: I am sure if the hon. member who just interjected would read the act and then read the amendment, he would concede there is merit to the amendment. In case others in this House do not appreciate the refinements of the proposed amendment, I will take a few moments to explain it—with the hon. member's approval, of course.

The bill we are discussing seeks to repeal section 13 of the existing act in its entirety, and replace it with proposed clause 5. I quarrel with the thought behind the repeal of section 13. Not only has the government deleted sections 6(2) and 6(3) of the act, but now it intends to delete those all-important words in the existing section which would require the commission, with respect to any investigation it might undertake, to confine the costs of such investigation to an amount equal to the revenue generated, as specified in section 10. This important provision was written into the act in 1948 as a piece of insurance, to prevent the commission from embarking on the investigation of a project when costs might exceed any contemplated revenues which might be realized if the project were undertaken. I think that safeguard, that insurance, should remain in the act.

I do not think projects should be undertaken with a reckless disregard for revenues which might be derived from those projects. I think a project should only be undertaken if revenues generated will pay for the costs of the project; otherwise the project should not go ahead. If we allow that provision to remain in the act we shall keep the self-sustaining theory alive, the theory on which the act was based in the initial instance.

I have a further objection to the clause as it exists and as it has been carried over into this bill. According to the language of the bill the commission may investigate a project and advise the minister, or the Commissioner of the Northwest Territories or the Commissioner of the Yukon Territory, as the case may be, and so on. That, Sir, is as fine a piece of gobbledygook as I have run across in a long time.

Sir, the commissioner of each territory is an employee of the minister, and the requirement for the Northern Canada Power Commission, which is responsible to the minister, to report to his employee is sheer nonsense. If that reporting provision is to mean anything, surely there should be a requirement to report to the commissioner in council of each of the territories. Asking the commission, which is controlled by the minister, to report to his employee, and his employee alone, makes no sense at all. If the concept that the council of either of the territories is involved in the decision-making process means anything, the reporting provision I have referred to makes no sense. My suggested amendment, as contained in motion No. 5, would change that section of the bill. I would require the commission with respect to the investigation of any project to report to the minister on the one hand, or on the other hand to the commissioner in council of the Northwest Territories or the commissioner in council of the Yukon Territory.

I was very careful in drawing up the wording of the proposed amendment in the hope that it might find favour with the government, because it leaves the commission the alternative of reporting either to the minister or to the commissioner in council. The choice is left open. On the other hand if the minister were to tell the commission, "You are to report to me, under the section, and to no one else," he would completely nullify the effect of the words "commissioner in council". My amendment, if accepted, would at least leave the semblance of a line of communication to the elected representatives of the people in both territories.

My proposed amendment also seeks to change that part of clause 5 of the bill in which the government would simply like to confine the report to the estimated amount of capital required and the effect on the schedules or ranges of rates established under section 10. The existing provision of the act requires the commission to report on the basis that any such project would produce revenues equal to the cost of installing it. If this feature is retained it is my submission that consumers in the north will not

be saddled with the expense of uneconomic projects, as they will be if the commission is allowed to have an unfettered sphere of action in investing in projects regardless of the relationship between revenue and cost.

● (2050)

As the bill now reads they could decide on any project they chose and simply calculate the cost of that project and its effect on the rates to be charged, as opposed to the present situation where the commission is obliged to act in a responsible fashion and relate the costs of such projects to the revenue to be generated from them. If my view the latter is a sound principle to follow, and my own amendment would restore it.

The type of provision we have been asked to endorse would open the door wide to saddling consumers of electrical energy in the north, at the whim of the commission, with rates calculated to pay for the project which might be unrealistic or far more costly than they should be. For this reason, and in order to give the elected representatives of the people of the north on the two councils some opportunity of making an input, I put this amendment forward in the hope it will find favour with the government.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to support the amendment put forward by my colleague, the hon. member for Yukon (Mr. Nielsen), and I do so for two basic reasons. The proposal now in the bill violates two fundamental principles which were put forward in the recommendation which resulted in the legislation we are now considering. That recommendation stated the amendments were being made to provide for changes in financial management. I think we would all agree that in making changes affecting financial management of the power commission the object would necessarily be to improve the situation. The hon. member for Yukon has told us that his further amendment arises from the fact that the proposal in the bill as it stands is a retrograde step which removes some of the safeguards which existed in the unamended act. On this basis alone motion No. 5 should receive enthusiastic support from all quarters of the House.

My second reason for supporting the amendment is that the bill as proposed violates what I believe to be the real purpose of the government in bringing forward amendments to the Northern Canada Power Commission Act. I am sure the minister would agree that when the number of members of the Commission was increased from three to five and provision was made for their expenses, the whole intent was to bring about more effective control on the part of the residents of the two territories over the activities of the Northern Canada Power Commission. However, as has been pointed out during the course of the debate today, this idea of closer control by the residents of the territories is an expression of tokenism rather than of fact.

The bill as it now stands is just another example of tokenism. For example, it states that the commission may investigate a project and advise the minister, or the Commissioner of the Northwest Territories or the Commissioner of the Yukon Territory—and so on. Actually, and the hon. member for Yukon has already made this point, it is a case of the minister advising himself. As has been pointed out by several members, the commissioner of the territories is really a creature of the minister of the Crown responsible for administering those two territorial regions. Why do I assert this to be the case?

Over the past 15 years promises have been made to the territories which were supposed to ensure greater local autonomy. The first important gesture in this regard was made in the early 1960's when, for the first time, the commissioner for the Yukon Territory was appointed from within the Yukon population—I refer to Mr. Gordon Cameron who served with distinction for some five years. Mr. Cameron refused reappointment because, as he said, he was just a figurehead of the minister in carrying out his responsibilities. He discovered, after five years in office, that he had no power, that there was really no local autonomy; he took his orders directly from the Ministry of Northern Affairs in Ottawa. I recall the phrase he used at the time of his resignation. He said that the reins directing policy in the Yukon were held at some 5,000 miles distance in Ottawa. And he refused to function any further as a flunkey.

Gordon Cameron, the first from within the territory to hold this responsible position, was succeeded by Jack Smith, who is still the Commissioner of the Yukon Territory. During the intervening years the status of the Commissioner has not changed one iota in terms of his powers. As a former minister of northern affairs I can say this is one of the things we hoped to change, and we looked forward to the granting of local autonomy to both territories as one of the major forward steps in the development of Canada's northern regions by our centenniary year, 1967. Very little progress has been made in this regard. The Commissioner of the Northwest Territories, who now has been in office a considerable number of years, is in precisely the same position as the present incumbent in the Yukon Territory. In light of these observations, I would challenge anyone to dispute that that is the situation.

● (2100)

I think the hon. member for Yukon has put forward a very important amendment which would place in the hands of the commissioner in council some control over the activities of the Northern Canada Power Commission. There has been a subtle change in the past few years that would more than justify this change in wording from "Commissioner" to "commissioner in council", because now members of the councils both of the Yukon territory and the Northwest Territories have been given some limited executive responsibility.

It would appear to me that, as a logical concomitant of that change in the status of the members of the territorial councils, the wording proposed by the hon. member for Yukon is a proper designation of the relationship with respect to clause 13. Certainly it would be much closer to realizing the recommendations that caused the government to bring in the amendments we have been considering in the debate today so as to give closer control over the power commission in the territories to the elected representatives of the people of the territories themselves. I hope all hon. members will give their support to this necessary amendment.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my two colleagues from the Yukon and from Brandon-Souris speak with authority. One of them represents one of the territories whose future we are discussing tonight; the other has served as minister responsible for those territories during a period which the residents there look back on as a welcome change in attitude on the part of the federal government toward developing some degree of local self-government in the territories, a change that unfortunately was undone in the years following 1963.

In effect this amendment contains two elements. The first has to do with the provision that the advice must be not simply to the commissioner who, as has been pointed out, and as is well known in the north, is too often an extension of officialdom in Ottawa, but instead to the elected councils of the Yukon and Northwest Territories. These are people whose mandate is not simply given by a minister in Ottawa; theirs is a mixed mandate, partly from Ottawa now but also partly from the people whose lives, whose ability to turn off and on lights, and whose requirement to pay the bill, are most particularly affected.

As the bill introduced by the minister stands, the requirement is simply to report to the commissioner after an investigation. Further as is well known, the Commissioner of the Yukon or the Northwest Territories is really the minister in disguise. He is the arm of the minister, appointed by the minister and answerable to the minister. He is the creature of the minister and, as a matter of practice, he acts in much closer liaison with the minister and anonymous officials in Ottawa than he does with the people whose lives he in effect controls as commissioner of those territories. In effect there is only an option on paper now, not an option in fact. The option on paper is either to report directly to the minister or to report to him in other clothes.

The bill as it stands is even more absurd than that. Under the amendments to the Northern Canada Power Commission Act the chairman of the Northern Canada Power Commission is also the Commissioner of the Yukon Territory. So what the minister would have us do is have the chairman report to himself. It reminds one, as someone standing behind me said a moment ago, of the old song "I'm my own grandma".

While many of us on this side of the House are aware that the actions of the government frequently leave people talking to themselves, this must surely be the first time that it has been written into a statute. It seems to be clearly an oversight, an absurdity, in order to give the appearance of creating an option, to require that the Commissioner of the Yukon Territory, in his capacity as chairman of the Northern Canada Power Commission, report to himself; to require that he report not to the minister, but to the minister in disguise in the territories—the commissioner.

What the amendment does is to give status to the elected council as well as eradicate an absurdity now in the law. It is primarily a democratic amendment, what I might call a symbolic amendment, indicating that the Parliament of Canada recognizes the importance of the councils of the Yukon and Northwest Territories, and that it is not content simply to leave a reference to the governing body of that council to the commissioner acting alone.

Perhaps not many members on the government side of the House had, or have taken, the opportunity that many of us on this side have had to visit northern Canada and speak directly with the people there, people who have lived for too long with what, in effect, is a colonial regime where all important decisions are taken at a great distance from them. Those who have visited those territories, many of them in the Progressive Conservative party, and have listened to the concerns of the people there, not allowing themselves to be misled by the emanations of the bureaucracy, know the concern of the people there about self-government, about having the ability to control their own destiny. We also know that progress toward some degree of self-government in the Yukon and Northwest Territories has been glacially slow. Although progress was made during the period when my colleague from Brandon-Souris was minister responsible for the territories, since that time progress has, as I say, been glacially slow.

While there is not much that we can do now in amending this particular bill to add substantial powers, or give added status to the councils of the Northwest Territories and Yukon territory, we can at least make the symbolic act of passing this democratic amendment which requires that there be a reporting not simply to an official named by Ottawa but instead to the whole council, which is comprised of directly elected people of the Yukon and Northwest Territories.

That is the first of the two elements of the amendment proposed by my colleague from Yukon. I repeat that it would remove the absurdity of having the chairman of the Northern Canada Power Commission report to himself because he wears both hats, that of the chairman of the commission, and that of the Commissioner of the Yukon Territory. The amendment would also have the symbolic and democratic effect of offering some satisfaction to the people of the Yukon and Northwest Territories that there are members of the House of Commons who, even with the limited capacity before them tonight, are prepared to make a stand regarding the right of these people at least to be consulted.

The second element of this amendment has to do with the apparent wish of the minister to remove from the Northern Canada Power Commission the requirement that was placed upon it some years ago—more than 20 years ago when the commission was established—that the rates produce a revenue equal to the specified cost of projects proposed by the commission. As my colleague, the hon. member for Yukon has indicated, it is insurance that there will be enough revenues from the rates to pay for the projects.

● (2110)

As the House may be aware, the original theory here was that this should be a self-sustaining commission. That theory endured until this minister, or whoever drafted the bill, and we cannot be sure that we should blame him, introduced this legislation which would take away the insurance that the rates would meet the costs of the projects.

We have to bear in mind that already today we have weakened the restraints on the Northern Canada Power Commission by removing the requirement to report to the

cabinet on major expenditures of over $50,000. This is one more restraint that is removed. It is not so much the removal of the restraint that should be reviewed. I suggest to the House that what should be reviewed is the direct invitation to over-spend. Once there was the insurance, or the requirement, that costs should not exceed revenues, relating specifically to projected projects. Now there is not that insurance, so there is a clear invitation to over-spend. There is no guarantee that members of the Northern Canada Power Commission will accept that invitation to over-spend, but there is the invitation and the possibility.

If the Minister is going to oppose this very progressive and sensible amendment by the hon. member for Yukon he should make it clear why he is inviting the Northern Canada Power Commission to over-spend. He will have to justify that invitation to over-spend in order properly to convince the House that the insurance clause which has been in the act since the commission began should now be removed.

I spoke earlier during this debate, when the Minister of the Environment (Mrs. Sauvé) was in the House, about the dangers that could be involved for the whole of Canada, particularly for those of us who are concerned about environmental consequences, if there are too few restraints placed upon the Northern Canada Power Commission. As it stands, there is in this bill the capacity of the commission to undertake literally any kind of hydro project. As we have learned in parts of Canada where ecology is perhaps more impervious than it is in parts of the territory we are talking about, hydro electric projects can be dangerous and can have consequences beyond those that we can foresee. That is a factor we must bear in mind when we are considering the wisdom of removing from the Northern Canada Power Commission the restraint that has, to this point, required it to generate, by its rates, revenues which are equal to the costs the commission incurs.

For those two reasons, first, the democratic reason of requiring a reference to the elected council and not simply to an appointed commissioner and, second, the insurance element that will require rates equal to the costs involved in projects, I earnestly hope that the minister and others on the government side will accept the wisdom of the amendment proposed by my colleague.

Mr. Doug Neil (Moose Jaw): Madam Speaker, after some discussion with the minister we have arrived at a compromise in respect of Motion No. 5. At this time I should like to move the following amendment:

That Motion No. 5 to amend Bill C-13, an act to amend the Northern Canada Power Commission Act, be amended by deleting the words "the proposed rates that in the opinion of the Commission would produce revenue equal to the costs specified in Section 10" and the following substituted therefor:

"the effect on the schedule or ranges of rates established for a rate zone under Section 10."

As I said, this is a compromise that has been reached. It is not exactly what we wanted but it is satisfactory to us and the minister, and I trust it will be approved and passed.

The Acting Speaker (Mrs. Morin): The question is on the amendment by the hon. member for Moose Jaw (Mr. Neil). Is it the pleasure of the House to adopt the said amendment?

[Mr. Clark (Rocky Mountain).]

Some hon. Members: Agreed.

An hon. Member: No.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Madam Speaker, I should simply like to indicate that we have discussed this compromise and it is acceptable to us.

Mr. Nielsen: You should speak to your backbenchers over there.

The Acting Speaker (Mrs. Morin): Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Neil) agreed to.

The Acting Speaker (Mrs. Morin): Shall the motion as amended carry?

Some hon. Members: Agreed.

Motion No. 5 (Mr. Nielsen), as amended, agreed to.

The Acting Speaker (Mrs. Morin): We will now return to Motion No. 4 in the name of the hon. member for Yukon.

Mr. Erik Nielsen (Yukon) moved:

That Bill C-13, an act to amend the Northern Canada Power Commission Act, be amended by adding to Clause 4, next after line 5 on page 3 thereof, the following:

10A. The Commission shall be deemed to be a public utility within the meaning and for the purposes of any ordinance of the Yukon Territory or the Northwest Territories that provides for the regulation of the operation of any system, works, plant or equipment for the production, transmission, delivery or furnishing of electricity and the provisions of any such ordinance shall apply mutatis mutandis to the commission.

He said: Madam Speaker, it should be clear even to the government whip that the purpose of all our efforts, here and in the committee, has been to take the Parliament of Canada out of the business of setting rates for my electric light bill in the Yukon and putting that power where it belongs, in the hands of the public utilities commission.

An hon. Member: Then the power is going to go off out there.

Mr. Nielsen: We have been turned off by the government in Ottawa many times before. Surely it makes sense that the Government of Canada should not be in the business of setting rates for my electric light bill in the Yukon, or anybody's electric light bill in the Northwest Territories. Surely the proper body to be doing that, as is the case everywhere else, is a public utilities board.

The minister has made the argument in the past that this situation does not prevail in the provinces enumerated by him this afternoon. Those are provinces which have machinery set up to look after this sort of thing. We are denied that kind of machinery by virtue of the strictures placed upon us in having this controlled by Ottawa. All this amendment would seek to do in this one small sphere is take the headache away from the governor in council or

from the cabinet, and give it to the public utility boards in each of the Yukon and Northwest Territories, which would look after the setting of their own rates for their own electric energy.

● (2120)

I hope the Chair has had time to reflect favourably on the doubt that was expressed when this motion was first moved. I hope there is not a procedural problem here and that the motion can be put to the House. Even before that happens I hope this amendment would commend itself to the minister. The minister, by virtue of the direction of his own department—and that in effect means not his direction but that of his predecessor—has directed that legislation be placed on the books of ordinance of each of the territories to establish a public utilities board. What would be the purpose of doing this unless it were so that we could look after this kind of housekeeping problem ourselves, rather than clutter the already cluttered agenda of the cabinet and, I might add, of a cabinet that is cluttered up itself. Let us take this housekeeping problem away from the over-burdened cabinet and put it where it belongs, in the hands of the agency that was created by the minister to do this very job.

I hope the minister will rise right now and cut short the debate by telling us this will be done, and then we can consider the discussion on the bill at an end. If the minister goes along with this amendment, so far as we are concerned all the others will go by the board and we need not vote on anything tonight. This really is the only thing the people of the north are seeking.

The Acting Speaker (Mrs. Morin): Order, please. I want to refer to Mr. Speaker's decision of March 26 on this particular amendment, motion No. 4. It would appear that it is introducing a new and substantive provision into the bill. It is suggested that a new clause cannot be received if it is beyond the scope of the bill.

Mr. Nielsen: Madam Speaker, I wonder whether we might speak to the procedural point before a decision is made?

The Acting Speaker (Mrs. Morin): Order, please. If the hon. member would look at *May's* eighteenth edition, he would find it is stated that a new clause is out of order for many of the same reasons as an amendment and, in particular, will not be entertained if it is beyond the scope of the bill.

Further on page 508 of May's eighteenth edition it is stated that an amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill. Again I wish to cite Beauchesne's fourth edition at page 285 where it is stated that amendments are out of order if they are irrelevant to the bill, or beyond its scope. For all these reasons the amendment cannot be accepted.

Mr. Nielsen: Madam Speaker, I say what I am about to say without any intention whatsoever of impugning the Chair and without any intention whatsoever of questioning the ruling that has been made by the Chair, but I regret very much that I and other members who may have wished to contribute to the debate on the procedural point were not invited to do so before the ruling was made. In making that statement I hasten to add that in all probability Your Honour overlooked the usual long standing procedure of the House.

Some hon. Members: Order.

Mr. Nielsen: I am trying to be as courteous as I can in making the point, Madam Speaker; but as I say, it has been a long standing procedure and practice in this House that members be called upon to make submissions on procedural points before decisions are taken by the Chair. I regret that was not done in this case, but I accept the ruling.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member had a chance to make his procedural comments before the Chair entered the decision.

Mr. Nielsen: Madam Speaker, I rise on a question of personal privilege. I notice that the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mrs. Campagnolo) applauded that statement. There have been changes in the occupancy of the chair since this debate arose. I had carved out for myself a reservation that I would want to make a submission on this procedural point before the decision was made by the Chair. I accept the ruling. I regret only that I was prevented from making that submission before the ruling was made.

The Acting Speaker (Mrs. Morin): The House will now proceed to the deferred division on motions Nos. 2 and 3.

Call in the members.

The House divided on Motion No. 2 (Mr. Nielsen) which was negatived on the following division:

(*Division No. 29*)

YEAS

Messrs.

Alexander	Hamilton (Swift Current-Maple Creek)	McCleave
Alkenbrack	Hargrave	McKenzie
Baldwin	Holmes	McKinley
Bawden	Howie	McKinnon
Beatty	Huntington	Munro (Esquimalt-Saanich)
Brisco	Hurlburt	Murta
Cadieu	Jarvis	Neil
Caouette (Villeneuve)	Johnston	Nielsen
Carter	Knowles (Norfolk-Haldimand)	Oberle
Clark (Rocky Mountain)	Korchinski	O'Sullivan
Clarke (Vancouver Quadra)	Lambert (Bellechasse)	Patterson
Crouse	La Salle	Reynolds
Darling	MacDonald (Egmont)	Roche
Dinsdale	MacDonald (Miss) (Kingston and the Islands)	Rondeau
Ellis	MacLean	Schellenberger
Fairweather	Malone	Schumacher
Fraser	Masniuk	Smith (Churchill)
Friesen	McCain	Stanfield
Hamilton (Qu'Appelle-Moose Mountain)		Stevens
		Towers
		Whittaker
		Wise
		Yewchuk—60.

Division

NAYS

Messrs.

Allmand
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Benjamin
Blais
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Clermont
Collenette
Comtois
Corbin
Corriveau
Côté
Daudlin
De Bané
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Firth
Fleming
Flynn
Foster
Fox
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
MacGuigan
Mackasey
Marceau
McIsaac
McRae
Morin (Mrs.)
Munro (Hamilton East)
Nystrom
O'Connell
Olivier
Orlikow
Ouellet
Parent
Pearsall
Pelletier (Hochelaga)
Penner
Philbrook
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Rompkey
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Yanakis
Young—102.

● (2200)

Mr. Speaker: I declare the motion lost.

Motion No. 2 (Mr. Nielsen) negatived.

Mr. Speaker: The question now is on motion No. 3, standing in the name of the hon. member for Yukon (Mr. Nielsen).

The House divided on motion No. 3 (Mr. Nielsen) which was negatived on the following division:

(*Division No. 30*)

YEAS

Messrs.

Alexander
Alkenbrack
Baldwin
Bawden
Beatty
Benjamin
Brisco
Cadieu
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Crouse
Darling
Dinsdale
Ellis
Fairweather
Firth
Fraser
Friesen
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Holmes
Howie
Huntington
Hurlburt
Jarvis
Johnston
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
La Salle
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacLean
Malone
Masniuk
McCain
McCleave
McKenzie
McKinley
McKinnon
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nystrom
Oberle
Orlikow
O'Sullivan
Patterson
Reynolds
Roche
Saltsman
Schellenberger
Schumacher
Smith (Churchill)
Stanfield
Stevens
Towers
Whittaker
Wise
Yewchuk—63.

[The Acting Speaker (Mrs. Morin).]

NAYS

Messrs.

Allmand
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caouette (Villeneuve)
Caron
Clermont
Collenette
Comtois
Corbin
Corriveau
Côté
Daudlin
De Bané
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
MacGuigan
Mackasey
Marceau
McIsaac
McRae
Morin (Mrs.)
Munro (Hamilton East)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier (Hochelaga)
Penner
Philbrook
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Rompkey
Rondeau
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stollery
Tessier
Trudeau
Trudel
Watson
Whelan
Yanakis
Young—100.

Mr. Speaker: I declare the motion lost.

Motion No.3 (Mr. Nielsen) negatived.

Mr. Speaker: The question is on the motion of Mr. Buchanan, seconded by Mr. Jamieson, that the bill be concurred in.

Mr. Knowles (Winnipeg North Centre): As amended.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? Now?

Some hon. Members: Ten o'clock!

Mr. Speaker: At the next sitting of the House.

PROCEEDINGS ON ADJOURNMENT MOTION

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

SOCIAL SECURITY—PROPOSED ELIGIBILITY FOR OLD AGE PENSION AT SIXTY

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on Monday, February 3, as reported in *Hansard* at page 2836, I put this question to the Minister of National Health and Welfare (Mr. Lalonde):

In view of the increasing difficulties being faced by elderly people as they try to cope with today's cost of living, will the minister consider recasting the proposed legislation regarding pensions at 60 so that those pensions will be made available not only to spouses but to all persons over 60 who are out of the labour market? Will the government also consider providing in 1975 a substantial increase in the basic amount of old age security?

● (2210)

The reply of the Minister of National Health and Welfare was to the effect that the government had already expressed its plans in this connection in the Speech from the Throne and he hoped it would be possible to bring in these plans in the form of proper measures as soon as possible. I suppose there are few phrases that are used more often around here than the phrase "as soon as possible". We are now into the month of April and nothing has happened with respect to this matter.

Accordingly, I am taking part in this late show tonight for the purpose of pressing upon the minister once again, whether for the tenth time or the hundredth time, the urgency of reconsidering the question of the age at which old age security is available. Before the minister brings in the measure that was mentioned in the Speech from the Throne, namely, the proposal to provide on a needs test basis pensions to spouses between 60 and 65 where one spouse is already 65 years of age or over, I plead with him to recast the legislation and to make pensions available to any person at age 60 who is out of the labour market.

The arguments for this proposal, Madam Speaker, have been made so often, and the unsatisfactory reply of the minister has been given so frequently, that I do not think one needs to take the full seven minutes allotted tonight to go into it. I simply press the point that in our society today, making a living having become what it is, there are thousands of people who find it difficult to keep on in the rat race until the age of 65.

I am not proposing a pension for everyone at age 60 the way it is available to everyone now at age 65, nor am I proposing compulsory retirement, but I am contending that those at age 60 who are out of the labour market for whatever reason should be given the opportunity to obtain old age security and also any benefits to which they are entitled under the Canada Pension Plan.

May I point out to my good friend, the Minister of National Health and Welfare, that he is having a rather sterile session. In the minority parliament he was a busy minister; he brought in all kinds of legislation and we made pretty good progress. But what is his record so far in this session? So far in this session he has got parliament to pass Bill C-22, a very important bill amending the Canada Pension Plan, which by the way was a piece of legislation left over from the minority parliament and which was almost passed before the last election, but that is literally all that has been passed since the last election in the name of the Minister of National Health and Welfare. And what has he got on the order paper?

An hon. Member: Nothing.

Mr. Knowles (Winnipeg North Centre): Someone to my right says nothing, and that someone is almost correct. He has only two items on the order paper. One of them is a measure in his name that came from the Senate and which we are going to deal with tomorrow, Bill S-9, to repeal the Proprietary or Patent Medicine Act, and that is actually the only item on the order paper in the name of the minister as Minister of National Health and Welfare. The other item in his name is in his name as minister responsible for the status of women, and that is Bill C-16 having to do with equality of status. It is an important measure and I hope it will not be long before it is brought forward.

But, Madam Speaker, there is nothing at all on the order paper in the whole area of pensions. I looked through my files today and I came across the orange paper. I remember how excited I was when that paper was brought down. I felt we had a minister who was interested in these matters, but what is his record? This minister has held conferences with his counterparts in the provinces, and he has talked about a guaranteed annual income. I gather that the Minister of Finance (Mr. Turner) has overruled him in cabinet on that.

I do not like to see my hon. friend having such a poor session. I am giving him the opportunity tonight to make up for this sterility and bring in a measure that would be warmly accepted and welcomed on his side of the House. Indeed, it would be warmly welcomed in all parts of the House and it would make a real contribution to the social security structure of this country. I call upon the minister to forget that record he has played so often and to tell us tonight that he is prepared to consider introducing at this stage a measure providing pensions on a voluntary basis at age 60.

Hon. Marc Lalonde (Minister of National Health and Welfare): Madam Speaker, I am always interested in listening to the hon. member, but I was particularly struck by the comments he made regarding the lack of legislation before the House. I was struck even more by the comment from the Tory party to the effect that there was nothing. The hon. member referred to the bill amending the Proprietary or Patent Medicine Act. I was interested to hear once more that on the part of the Tory party the status of women is nothing. Members of that party have shown plenty of evidence to this effect by their comments in this

House in the past, but it is nice to see it again on the record tonight. I certainly hope that the women of this country will note that particular comment from the Tory benches.

As far as the comments made by the hon. member for Winnipeg North Centre (Mr. Knowles) are concerned, I am sure he will be happy to know that there will be substantial amendments to several aspects of the Old Age Security Act brought before this House. The government was committed in the Speech from the Throne to introduce a measure that will come into effect by October 1, 1975. That measure will be brought before the House and I hope, with the co-operation of the House, it will be passed in plenty of time to come into effect by that date.

As the hon. member has also stated, we passed the most important amendment to the Canada Pension Plan last fall that has ever been brought forward since the inception of the plan. That signified a substantial increase in the benefits to those contributing to the plan.

There are other amendments to other legislation that will also be introduced before the end of the session. I hope it will be possible to debate them in due course, providing the opposition allows enough time for the consideration of all the bills now before this House or to come before it. As far as the issue raised by the hon. member is concerned, it has been debated so often I do not think I need add anything.

ABORTION—SUGGESTED INVESTIGATION OF REASON FOR HIGH RATE IN BRITISH COLUMBIA, ONTARIO AND ALBERTA

Mr. Douglas Roche (Edmonton-Strathcona): Madam Speaker, the Federal Advisory Council on the Status of Women has committed an absurd error in urging the government to grant full pardon to the convicted abortionist, Henry Morgentaler.

The 30-member council, set up by the government, is supposed to advise the government on steps to improve the role and status of women in our society. How is the cause of women's rights furthered by giving such a blessing to a man who, by his own admission, has destroyed the lives of thousands of unborn children?

Truly it would be a travesty of justice to permit Dr. Morgentaler to go free. I recognize that the Canadian Broadcasting Corporation has made him into a modern martyr through continued adulation of him, but the excessive pro-abortion sentiments of the CBC and the Council of Women have destroyed their judgment on the profound significance of the Morgentaler case.

The Morgentaler case must be seen against the background of what is going on in Canada. Section 251 of the Criminal Code permits a therapeutic abortion committee to allow an abortion when continuation of the pregnacy of a mother "would be likely to endanger her life or health".

● (2220)

Since the law went into effect, abortions quadrupled from 1970 to 1973 to 43,201, and they are now 12.6 per cent of live births in Canada. This alarming rate of increase is most noticeable in the three wealthiest provinces of British Columbia, where the abortion rate is 26.7 per cent of live births, Ontario where the rate is 18.3 per cent, and Alberta where the rate is 18.3 per cent, and Alberta where the rate is 13.8 per cent. These figures support the argument that abortions are being permitted for reasons far beyond health; to argue otherwise is to suggest that it is more dangerous to a mother's health to be pregnant in a rich, instead of a poor, province. But at least through these past few years many have thought that the government was unhappy at the rapid growth and might move to tighten the law.

The Minister of Justice (Mr. Lang) is on record as having warned provincial attorneys-general, who administer the Criminal Code, that social and economic considerations are not to be taken into account in determining the permissibility of abortion. The President of the Canadian Medical Association, and a number of leading lights in the communication world have attacked the minister for being too strict. They have argued that the World Health Organization definition of health "as a state of complete physical, mental and social well-being" should be the criterion. This is regarded by many others, myself included, as a ridiculous definition. Who among us is ever in a state of "complete physical, mental and social well-being?"

The pressure is building, and the CMA has turned to the Prime Minister (Mr. Trudeau) for support. It looks like the Prime Minister is encouraging the wide definition of health, for he told the CMA in a letter that hospital abortion committees should have "sufficient latitude". He backed up his view with a statement in the House of Commons that "the Criminal Code refers to health as involving many considerations apart from purely physical ones". This is highly misleading, to say the least.

When I asked the Minister of Justice to clarify the matter he said it is up to the provincial attorneys-general to carry out the law. He did not differ from the Prime Minister's interpretation, nor did he respond when I asked him point blank: "What is the minister doing to reduce this needless escalation of abortion which is a continuing violation of the civil rights of the unborn child?". I find it shocking that there is so little governmental concern at the rising abortion figures.

The law needs to be tightened to make it more explicit that abortions would be permitted only when the life of a mother is "seriously endangered". One of my colleagues, a physician, tells me that if this phrase were in the law there would be practically no legal abortions since modern health methods have reduced the danger of pregnancy to almost nil. But instead we have this erosion to abortion on demand because we are gradually accepting the wide definition—and the government is getting away with it.

Now the Minister of National Health and Welfare (Mr. Lalonde) has begun promoting more therapeutic abortion committees. I agree with the open letter to the minister from the Canadian Physicians for Life that the minister ought to adopt "a policy aimed, not at encouraging but at eliminating the practice of non-medical, social abortion". To claim that the absence of abortion committees invites "a breaking of the law" is ridiculous. Dr. Morgentaler operated in Montreal where there are at least five abortion committees, and his trial made clear that his client knew about, and had access to, abortion committees.

The federal government, the CBC and the Council of Women notwithstanding, there is a very strong anti-abortion opinion in this country which will soon be dramatized by the presentation to parliament of one million signatures collected by the Alliance for Life. What I find especially sad is that the Council of Women, which has so much positive work to promote, has become so entangled with pro-abortion that it has made such an outrageous proposal to free a notorious criminal abortionist.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Madam Speaker, I would say to my hon. friend, the member for Edmonton-Strathcona (Mr. Roche), that I entirely agree with him and I am now expressing my personal opinion when I also deplore the increasing number of abortions.

Whatever our religious beliefs, whether we are Catholics or not, some basic principles must remain among which the conservation and preservation of life.

I am indeed giving my personal opinion and it is not proper for me to condemn those who do not share that view, but I wanted to express it publicly as I have already done so in previous years.

I now want to answer the question of my hon. friend when he asked on December 12, 1974 that an investigation be held on the reasons for the high rate of abortions in British Columbia, Ontario and Alberta.

There is no doubt that the great difference in statistics concerning the number of abortions performed in various parts of Canada would lead to the conclusion that in some areas, the clauses of the Criminal Code on abortion are too freely interpreted. The Minister of Justice (Mr. Lang) has, on various occasions, expressed his concern about the matter, and made known the intentions of the legislator. Still, one must understand that the federal government, though it edicts the regulations concerning penal law, does not implement nor apply them. The governments of the ten provinces apply all the provisions of the Criminal Code, including those on abortion. Consequently, the implementation of penal law in the provinces depends on their respective attorneys general.

As for us, it is clear that the justification for abortion Parliament inserted in the act rests on life and health, and I feel it would be better to rely on the judgment of experts in the matter. If medical committees accept that responsibility and endeavour seriously to determine whether the motives authorized by Parliament are present in a given case, then, to my mind, the act will achieve its purpose. I thank my hon. friend for having brought up that matter; I can assure him that to my mind, and I repeat this, we agree totally with the efforts we have made to stir in the public an awareness of the fact that the problem of abortion may be a determining factor for the society of tomorrow.

Adjournment Debate

[*English*]

NORTHERN AFFAIRS—REASON FOR REMOVAL OF HEAVY EQUIPMENT FROM FORT SMITH VOCATIONAL TRAINING SCHOOL

Mr. Wally Firth (Northwest Territories): Madam Speaker, prior to raising the question on March 21, 1975, with the Minister of Indian Affairs and Northern Development (Mr. Buchanan) regarding the removal of some heavy equipment from the vocational school at Fort Smith in the Northwest Territories to a site higher up north, I gave the minister notice that I would raise it, as I also did after his reply, with which I was not very satisfied, when I gave plenty of notice that it would be transferred to the adjournment debate. I believe that the minister has now had sufficient time to look at this matter in detail and, I hope, to provide an answer that will be satisfactory to the people in the Northwest Territories.

The question involves two pieces of heavy equipment, two scrapers, which were removed and sent to the Mackenzie highway construction project. My comments on this matter will be brief and I hope that the minister now has an answer.

The general principle of having on the job training on a construction site is not a bad idea, but I do not think this should be done at the expense of a government school that is well run and is paid for by the taxpayers, a school for which the government can take a certain amount of credit.

A number of vocational courses were started in the vocational centre at Fort Smith which have met with a certain amount of success, for which the government can rightly take credit. However, I do not think that move to take the equipment away was very wise. It was to the detriment of the training centre at Fort Smith. I would much rather have seen another plan put into operation which I believe would have been more fruitful and less costly. That plan would have been to move the students, after reaching a certain level of training at the vocational school, to jobs at such places as the Hire North project.

● (2230)

Those are the main points I wanted to raise, and I hope that the minister now has a satisfactory answer.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, in response to the hon. member for Northwest Territories (Mr. Firth) I would point out that the Minister of Indian Affairs and Northern Development (Mr. Buchanan) stated in the House that Assistant Commissioner Hancock met with the Fort Smith council to discuss the matter of the two pieces of machinery. To add further to the reply of the minister, the function of the school at Fort Smith is that of a training centre, and it is planned as a place where native peoples may learn to use implements and equipment which would be regularly found on reserves.

In regard to the two scrapers which have been taken with the permission of the school at Fort Smith to the area of Willowlake River and the Hire North training section, the salient fact is that these are very large pieces of equipment and only required for advanced training. A scraper is generally used with a bulldozer, front and back,

and it is a machine which takes up the overburden preparatory to road building. I would add that this machine combined with two D-8 bulldozers is only used below the permafrost line. These are very sophisticated pieces of equipment used only for advanced training.

The hon. member has asked if these machines will be replaced at Fort Smith vocational school. The fact is that once a student has completed training on equipment normally used in settlements, if that student indicates a desire to move into commercial or industrial heavy machinery then the training is completed in the Hire North program, and the equipment is returned to Fort Smith until it is needed again for advanced training.

I emphasize that the equipment was removed with the concurrence of Fort Smith officials, that its use by Hire North is properly undertaken, and that it will be returned to Fort Smith following its use.

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 o'clock a.m.

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

HOUSE OF COMMONS

Friday, April 11, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

CONSUMER AFFAIRS

REQUEST FOR INVESTIGATION OF SHORTAGE OF MASON JAR LIDS IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of urgent and pressing necessity following an answer given Wednesday in reply to a question directed to the Minister of Consumer and Corporate Affairs regarding the shortage of Mason jar lids in British Columbia. At that time the minister said "products are available in sufficient quantities". A quick check of four stores in the Okanagan Valley indicated that not one lid was available in any of them. A call to Smithers received the same answer in respect of that area, and word from the Fraser Valley indicates there are none available there. I would move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

That this House direct the Minister of Consumer and Corporate Affairs to launch an immediate investigation of the situation before the shortage become critical and irreparable.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—DEGREE OF STIMULATION IN BUDGET DEPENDANT ON CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Minister of Finance indicated to the first ministers yesterday that the present phase of the consensus program will continue for a few weeks at least, but once again no commitments are being sought at this stage. Could the minister indicate when he will be in a position, or how he plans to be in a position to reach a sufficient judgment of the outcome of these consensus talks in order to decide how much stimulation is going to be put in the budget which he says he will be presenting to this House before the end of May, particularly in view of his statement to the press yesterday to the effect that the degree of stimulus would depend upon the success of the consensus talks?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said that was one of the factors against which the stimulus would have to be calculated, and there are others, as the hon. gentleman knows, some of which I outlined in response to his question on Tuesday when I announced that I will be bringing a budget down before the end of May. Consultations with various segments of the economy are now continuing with more precision, and I would hope that we will know whether we have the possibility of a consensus by the end of May.

INFLATION—UNWILLINGNESS OF ONE SECTOR TO EXERCISE RESTRAINT UNLESS OTHER SECTORS ACT IN SIMILAR MANNER—MECHANISM FOR ENFORCEMENT OF GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I noticed that the minister said in his statement yesterday, and I guess we would all have to concur in this, that he found that no group was willing to exercise restraint unless it was absolutely certain that others were going to accept a similar or corresponding degree of restraint at the same time.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Stanfield: Mr. Speaker, I should like to ask the minister how he proposes to meet this essential precondition when he and his colleagues unilaterally rule out all mechanisms that could in fact enforce that kind of certainty, which certainly cannot be provided by the resurrection of the Prices and Incomes Commission or anything of that sort?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the government is relying on the facts and the evidence of the potential danger facing this country if there is not moderation in every aspect of the economy. When you look at the inflation rate, although some moderation was announced in today's figures, you will see it is still running at an annual rate, April over April, of 11.2 per cent, although the first three months of this year show it has been reducing to a rate of 7 per cent. That is not a satisfactory situation. The unemployment rate is at 7.2 per cent seasonally adjusted and our costs are rising in productive terms at roughly twice the rate of that in the United States. These facts are not only evident to everybody in the House, but as well to the leaders of every

segment of our economy. On the basis of that fact, I feel confident that we can come to some sort of understanding.

Mr. Stanfield: Mr. Speaker, these facts were, of course, apparent to everybody about a year ago, and the minister has been fooling around with these talks in a great shroud of secrecy for some five months. In view of the minister's statement that he found that everyone was strongly expressing the need for leadership by the federal government, and I understand this was his expression although I was not present and did not see any TV clip, I should like to know whether the minister was able to say these things to the first ministers with a straight face?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, although the conference had its lighter moments that was not one of them. The premiers all feel that the situation is very serious, and they were interested in my proposition. I was encouraged by their response and we have their undertaking to co-operate in an effort to bring this consensus to fruition by the end of May.

● (1110)

INFLATION—INCREASE IN MONEY SUPPLY BY BANK OF CANADA AS AN EXAMPLE OF RESTRAINT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. In view of the minister's statement once again yesterday about the consequences of unchecked inflation and his recommendation that a program of restraint be adopted, would the minister indicate in what way it is an example of restraint for the Bank of Canada, which is responsible to the minister, to have increased the money supply since December at an amortized rate of 33 per cent, an increase which is perhaps the greatest three-month jump in Canadian history?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman likes to look at these figures on a monthly basis and draw conclusions from the money supply. Last year in terms of the narrowly defined money supply expanded well under the rate of growth of the economy. The Governor of the bank stated in his annual report that the money supply will expand sufficiently to allow some expansion in the economy, particularly in the current cycle, but not so quickly as to provoke inflationary thrusts 12 to 18 months from now. I think the hon. gentleman would be fairer to the statistics if he would look at them over a longer trend.

Mr. Speaker: A final supplementary by the hon. member for York-Simcoe.

Mr. Stevens: Mr. Speaker, this question again is addressed to the Minister of Finance in view of his answer. Would the minister simply indicate whether he disputes the figures of the Bank of Canada which indicate that the currency and demand deposits have increased by over $1.2 billion, from $14.8 billion to $16 billion between December 1974 and March 1975?

Mr. Turner (Ottawa-Carleton): If those are the figures published by the bank I do not dispute them, Mr. Speaker.

[Mr. Turner (Ottawa-Carleton).]

REQUEST FOR EARLIER DATE THAN MAY FOR BUDGET

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, now that the minister has tended to agree with what has been forecast by other economists and groups for several months that the real growth in the country will be virtually zero in this year, would the minister not speed up the introduction of his May budget beyond the time reference he has already indicated?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman, of course, is now becoming inconsistent again. He wants stimulus and about 30 seconds ago he wanted some restraint on the growth of the money supply.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I ought to recall to the House that the motion which the hon. gentleman brought forward about six weeks ago calling for tax reductions did not have as its purpose stimulus but controlling expenditures, so that although he may retroactively—

Mr. Baker (Grenville-Carleton): Government expenditures.

Mr. Turner (Ottawa-Carleton): Government expenditures. But what I am saying to the hon. gentleman from Grenville-Carleton is that the burden of his party's motion was not to stimulate the economy at that time but was to control government expenditures. I am not arguing the philosophy; I am just saying it is a little late in the day for the hon. gentleman to get on the bandwagon.

Some hon. Members: Hear, hear!

INFLATION—GOVERNMENT MEASURES TO PROVIDE JOBS IN THE IMMEDIATE FUTURE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the minister's admission yesterday that the economy is not performing as well as he had anticipated, and in view of the fact that he concentrated on inflation during the statements he made at the conference, I should like to ask the minister whether he can say now what specific proposals he has to get the economy rolling and provide jobs now for the average Canadian?

Hon. John N. Turner (Minister of Finance): I said to the hon. member's parliamentary leader a few days ago that he ought not overlook the stimulus already injected into the economy as a result of the November 18 budget. Further measures, if necessary, will be announced when I bring down the next budget.

Mr. Nystrom: I have a supplementary, Mr. Speaker. In view of the minister's expectations, again at the conference, that it will take about four years to bring inflation down to an acceptable level through the program he has outlined, are we to assume that no significant measures will be taken during that period to stimulate the economy and provide more jobs for the unemployed?

Mr. Turner (Ottawa-Carleton): No; the hon. gentleman should not assume that. He should take into consideration when we are attempting to achieve the growth we need for our labour force that a good deal of our problems stem from slack economies in the United States, in Japan, and in Europe, which affect our exports. The Leader of the Opposition may smile, but the Premier of Nova Scotia was particularly concerned about falling exports from Nova Scotia which affect that particular economy. Mr. Speaker, the reason I said it would take two, three or four years to get inflation back to acceptable rates, whatever that might be, is, first, that it was severely imbedded into the Canadian, American and world economies and, second, that the only way to get it down in a shorter term would be by a fiscal and monetary policy which I do not think would be acceptable to the country or to this House in that it would provoke massive unemployment in Canada.

INFLATION—INQUIRY WHETHER GOVERNMENT PROPOSALS TO LIMIT WAGE INCREASES WILL APPLY TO OTHER FORMS OF INCOME

Mr. Lorne Nystrom (Yorkton-Melville): I have a final supplementary question for the Minister of Finance. In view of the minister's proposal, a fairly specific one, that wage increases in general should be limited to the targeted increase in the CPI, can the minister inform us what specific limitations he proposes on such other forms of income and on corporations, and how he will enforce those limitations on other forms of income and on corporations, and also whether he proposes that on wages and salaries?

Hon. John N. Turner (Minister of Finance): That is not exactly how the statement reads. In any event, I said to the conference and to the press afterward that what I presented at this stage was a sketch, not a blueprint. Details of the blueprint are now being evolved by the government in co-operation with the provinces and with those segments of the economy whose consent is necessary.

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[*Translation*]

LABOUR RELATIONS

LONGSHOREMEN'S STRIKE—REQUEST FOR STATEMENT ON PROGRESS OF NEGOTIATIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of Labour.

Considering that the strike by longshoremen in the Quebec City, Trois-Rivières and Montreal ports is continuing in a distressing way, can the minister advise the House whether there are bargainings in progress and whether this dispute will be settled within the next few days?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, let me answer the last part of the hon. member's question first by saying, yes, I hope that it will be settled. The parties are aware of the fact that we have a mediator on the scene, Mr. Charles Poirier, who is recognized as one of the outstanding authorities on the whole industry of the ports in this area. He is meeting with the parties, and the parties are aware that he is available to meet them again to try to achieve a settlement as soon as possible.

* * *

[*Translation*]

AGRICULTURE

POSSIBILITY OF SECURING SUPPLY OF FEED GRAIN IN VIEW OF LONGSHOREMEN'S STRIKE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, there is a supplementary question I wish to direct to the Minister of Agriculture.

Taking into account the answer given by the Minister of Labour, can the Minister of Agriculture formally advise the House whether Quebec City area millers still have access to the Quebec City and Trois-Rivières port terminals and, if not, what steps he will take to assure that these millers will get adequate supply, pending the settlement of the strike?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I understand there have been injunctions granted for elevators in Quebec, but still picketing is going on there. The employees refuse to cross the picket line. Yesterday in Quebec City over 400,000 bushels of corn were unloaded at the elevator. Other boats are moving into the area with grain, and we are still hopeful that some amiable agreement will be reached so that grain can move through those areas which are in desperate need of grain for livestock and poultry feed.

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THE CANADIAN ECONOMY

INFLATION—POWER OF PROPOSED BOARDS TO FORCE PEOPLE TO JUSTIFY WAGE AND PRICE INCREASES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Minister of Finance. Now that after a long period of gestation the minister has laboured and produced this paper tiger referred to as consultation on inflation, can the hon. member say if the board or boards which he contemplates as being established under his proposals will be given adequate authority to compel various people from different sectors of the economy to appear before the boards and justify increases in prices or wages?

Hon. John N. Turner (Minister of Finance): I said in my statement yesterday that reference to the board or boards was part of the consultative process itself. We are asking the various sectors of the economy if they feel that a board or boards would be appropriate, and what the terms of reference of those boards should be. The hon. member should recognize that the process we are undertaking is a consultative one and that consultation is an essential part of it. The hon. member might think of ways of reaching more simplistic solutions, but in a free society I believe human involvement should make this possible.

Oral Questions

● (1120)

SUGGESTED REARRANGEMENT OF SPENDING PRIORITIES TO STIMULATE HOUSE CONSTRUCTION AND RELIEVE INFLATIONARY PRESSURE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Finance. Given the fact that there is excess capacity in the residential housing industry, and given the fact that the shortage of accommodation is in itself highly inflationary, will the minister indicate if he is prepared to rearrange the spending priorities of the government at this time to alleviate the critical housing situation and thus reduce inflationary pressures?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the priority to which the hon. member refers is the priority of the government. The National Housing Act has recently been amended by this parliament, and the Minister of State for Urban Affairs introduced his new programs. The hon. lady's concern was echoed yesterday by the ministers of finance who met after the premiers adjourned. They expressed that same priority, and I took note of it.

Miss MacDonald (Kingston and the Islands): Given the fact that both the budgetary measures and the measures of the Minister of State for Urban Affairs have been in effect for some time now and we have seen a further decline in the housing situation in Canada, will the minister say what he is prepared to do immediately, particularly in view of his comment on April 8 in this House where he said that housing is an area which should receive immediate priority?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there will be an appropriate time to respond to that question in more detail.

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AGRICULTURE

POTATOES—POSSIBLE ALTERATION OF ASSISTANCE PROGRAM

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Agriculture. It relates to the government's assistance plan for potato producers announced by the minister the day after the House adjourned for the Easter recess. Since there were a number of elements which were not included in the original announcement which have since come into play, particularly the limitation of two carloads, which has created not only confusion among potato growers but obviously considerably depressed the prices in Montreal and Toronto, can the minister undertake—or would he respond today—to indicate whether there will be any limitation with respect to diversion of potatoes for livestock feed programs, something which is very important both in terms of livestock feed needs at this time of the year as well as the price of the remaining potatoes to be sold for table stock?

[Mr. Turner (Ottawa-Carleton).]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, a further meeting took place this week with the ministers from New Brunswick and Prince Edward Island, the provinces most concerned, and also with the ministers from Quebec and Ontario who also have this problem to some extent. A full announcement on the program has been made this morning—hon. members should have it either in their post office boxes or in their offices by this time—outlining in some detail what the program really does or what it tries to do. It amounts to the fact that there should be payments to people with 10,000 hundredweight of potatoes. We are concerned about some of the producers who we feel are speculating in the market and so on, but we are more concerned about those potato growers who have not sold any potatoes and are depending on that as their sole source of income. It is difficult to work out a proper program for the marketing of this commodity at this late date. We were not asked to do so until several weeks ago, and then it required consultation between the ministers concerned for at least three weeks before they obtained a consensus from their producers and processors, and we are hopeful this will alleviate some of the concern that they will not be looked after. The total expenditure we estimated will be somewhere between $12 million and $15 million.

POTATOES—POSSIBILITY OF ESTABLISHING NEW MARKETING PROCEDURES

Mr. David MacDonald (Egmont): Earlier when the minister was requested by provincial ministers from New Brunswick and Prince Edward Island to respond with an emergency program now, the minister indicated very clearly that there would have to be a related agreement with respect to changes in marketing procedures. I wonder whether this matter has been covered in the press release—unfortunately, the press release is not available to hon. members at this moment—or whether the minister will be making a statement. I think it is rather unfortunate that such an important question has been relegated to press releases when the House was not in session and now, apparently, press releases when the House is in session without any appropriate statement on motions from the minister.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the agreement we were able to come to with the provinces was one which was demanded. Proper regulations concerning marketing could not be worked out because they wanted it announced by April 1. That is why we made the announcement without the regulations.

In regard to the other part of the question about a new system for marketing potatoes, we are working toward that end, but how quickly we will be able to come to that I do not know. They are desirous of having a new system. We are also, because we have helped them in the last number of years, I think, twelve times out of the predicament in which they found themselves. If they are not desirous of that kind of program, neither are we.

SOCIAL SECURITY

EXCLUSION OF ORPHANS FROM ELIGIBILITY FOR FAMILY ALLOWANCES—REQUEST FOR GOVERNMENT ACTION TO REINSTATE

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, a year ago last March I raised a question with the Minister of National Health and Welfare about the regulations in the Family Allowances Act taking orphans off the family allowances list. At that time the minister promised to do something about it. I have raised the matter three or four times since then, and I should like to ask the minister now how long he feels it will take him to persuade the civil servants that the view of parliament should prevail and that all children under 16 should receive the universal family allowance?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the problem is not how long it takes to give instructions to civil servants. I have to act according to the law and the regulations which have been passed under that law. What is required is an amendment to the regulations and there are also substantial financial implications in such a change that are being considered by the cabinet.

Mr. Hamilton (Qu'Appelle-Moose Mountain): A supplementary question, Mr. Speaker. Do I understand the minister to say that even though he promised to make these changes in the regulations a year ago it has taken this long to persuade the cabinet to make such a simple moral type of alteration?

Mr. Lalonde: Mr. Speaker, it is not a question of time. It is a question of the finances involved.

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PRAIRIE FARM ASSISTANCE ACT

REQUEST FOR DELAY IN REPEAL OF ACT UNTIL INVESTIGATION INTO ALLEGED IRREGULARITIES COMPLETED

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the government House leader. In view of the fact that four months have passed since the Minister of Agriculture was questioned about reported irregularities in the operation of the Prairie Farm Assistance Act during his term of office and that the House leader has said Bill C-30 which would repeal the said act will go before the House today, and in view of the fact that the RCMP investigation might not be completed for some time, would the government House leader agree to withhold Bill C-30 at least until the report on the investigation has been submitted?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I do not think there is much connection between the two. I think it is desirable to repeal the act. The other inquiries can go ahead when the minister's estimates are before the committee and, of course, on the debate on the repeal the various points of view can be expressed.

SOCIAL SECURITY

SUGGESTED INCREASE IN OLD AGE PENSIONS—GOVERNMENT POSITION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the minister considering a substantial increase in the old age pension in order to stimulate the purchasing power of senior citizens and enable them to overcome the crushing financial burden that inflation has brought upon them?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

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[*English*]

HOUSE OF COMMONS

REQUEST FOR DELAY OF MEASURE TO INCREASE MEMBERS' SALARIES UNTIL AFTER DECISION ON RESTRAINT TARGETS FOR WAGE INCREASES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Finance and is based on his statement to my colleague the hon. member for Yorkton-Melville a few moments ago. He said that thus far he has given only a series of sketches and that the details of the blueprint are still being evolved. In view of the fact that the restraint targets with respect to wage and salary increases have yet to be arrived at, or are yet to be agreed upon, will the minister take whatever steps he can to urge the Committee on Miscellaneous Estimates to delay consideration of Bill C-44, to increase members' pay and allowances, until these targets have been achieved?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when the proposed increased figures are prorated over a period of years the question of the targets would be satisfactory within the discussions already contemplated by the various areas of the economy. In any event, the hon. gentleman will undoubtedly have his own view to present.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the fact that we do not yet know what the targets will be, does the minister not think that this parliament and the government should give leadership on this issue by waiting for those targets?

Mr. Turner (Ottawa-Carleton): We are giving leadership right across the country, Mr. Speaker. It is up to parliament to decide the immediate problem before us.

Mr. Knowles (Winnipeg North Centre): How can the minister say that with a straight face?

Oral Questions

THE CANADIAN ECONOMY

INFLATION—COURSE OF ACTION OF MINISTER IF ATTEMPT TO ACHIEVE CONSENSUS ON RESTRAINT FAILS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Finance and I should like to say to him that perhaps yesterday was a bad day for him. I can understand that because really his optimism is lying in shambles at his feet. When, a few moments ago, he expressed his confidence in the consensus program on which he embarked, or on which he is to embark, was he serving notice to this parliament and his colleagues in the government that if that program does not work he will leave the ministry which he occupies at this time?

● (1130)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it seems that the hon. gentleman is having a rather bad day today. I hope he will consult with his own leader who said yesterday that, although he might have some doubts about the procedure, he would give whatever support he could to a sincere effort to cope with the inflationary difficulties of this country. I recommend that to the hon. member.

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. Would the minister use his memory and recall that the leader of my party said that we will support any sincere effort by the government with respect to the consensus.

Some hon. Members: Hear, hear!

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[*Translation*]

ENVIRONMENTAL AFFAIRS

DAMAGE CAUSED BY SPRUCE BUD WORMS—GOVERNMENT ACTION TO ASSIST

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I should like to put a question to the Minister of Environment.

Because of the ravages caused by the spruce bud worm in New Brunswick, Maine and Quebec in the last few years, can the minister tell us whether the federal government has reached a decision on the amount of financial assistance it will be able to give that province this year?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the funds earmarked for spraying trees infested with the spruce bud worm had been cancelled. Because efforts are being made this year to convince me that the epidemic may be more serious than in years past, that it could become even worse, I am in the process of looking into what steps I could take to alleviate somewhat the gravity of the situation.

[Mr. Knowles (Winnipeg North Centre).]

[*English*]

GRAIN

ALLEGED DIVERSION OF SHIPMENTS FROM WEST COAST TO EAST COAST—REQUEST FOR CLARIFICATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the minister in charge of the Wheat Board. Yesterday I asked the minister to report to the House on the diminution by 10 million bushels a month in the amount of grain moving out of the port of Vancouver. Admittedly, although I raised the question only yesterday, the Wheat Board had announced on April 3 that there has been considerable discussion of this subject, especially on the west coast. Can the minister give the House any information.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have talked with the commissioner of the Canadian Wheat Board about the reported statement to which the hon. member alludes. The matter to which he made reference had actually occurred long before April 3. The statement in no way indicates any lack of performance at this time. As I indicated to hon. members yesterday, performance on the west coast is very good. The comment made during the course of the labour dispute was merely to the effect that such problems on the coast might indeed lead to a change in the attitude as to how much can be accommodated at any one time; but that would be subject to review and I have no doubt that the port will continue to perform at high levels.

Mr. Fraser: Mr. Speaker, I thank the minister for looking into this matter immediately and reporting. May I ask a supplementary question. Was the minister saying that there is not a policy for reducing by 10 million bushels a month shipments from the port of Vancouver, because this suggestion has appeared in the press.

Mr. Lang: Mr. Speaker, I think I can say to hon. members that the Canadian Wheat Board will look at the capacity of the port, and at sales opportunities. In balancing sales opportunities from the east and west, it will make as full use of the port as seems feasible. As sales opportunities present themselves, we foresee that the west coast will be handling record volumes again.

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AGRICULTURE

BEEF STABILIZATION PROGRAM—REQUEST FOR EARLY ANNOUNCEMENT OF NEW PRICE SUPPORT LEVEL

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is to the Minister of Agriculture. In view of current indications that cattle feeders are now planning to sell most of their fat cattle just before August 11, the final day of the minister's first year support policy, will the minister give serious consideration to announcing immediately the new price support level for the second year, to reinforce his previous policy announcement, namely, that the beef stabilization program is to be continued after August 11.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I can say is that we have ample time to make the announcement so that cattlemen can plan their marketings in proper fashion.

Mr. Hargrave: A supplementary question, Mr. Speaker. Does the minister intend to make the announcement before the end of the first year's support program?

Mr. Whelan: Mr. Speaker, yes, we do, to give the cattlemen ample time, because we do not want to see a rush of cattle to the market in the last month before August 11. We want proper and orderly marketing and we realize that we will need to make the announcement some time ahead of that date.

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THE CANADIAN ECONOMY

INFLATION—REQUEST FOR MINISTER'S VIEW OF ACCEPTABLE LEVEL

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a question to the Minister of Finance which arises from a phrase he used when answering the hon. member for Yorkton-Melville. Unless I am misquoting him, he referred to bringing inflation down to an acceptable level, whatever it may be. Can he tell the House and country what he considers to be an acceptable level of inflation, so that, when trying to reach this elusive consensus, he can define what he is trying to achieve in this regard?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman will have a better idea of that when we bring the blueprint before the House in due course.

INFLATION—REQUEST FOR EXPLANATION HOW GOVERNMENT ADOPTING A MODERATING STANCE TO COPE WITH PROBLEM

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my supplementary question is directed to the Prime Minister. Since federal government spending has increased by over 28 per cent, as measured by the estimates of last year and the estimates of this year, and as the money supply is increasing at an annual rate of 33 per cent, can the Prime Minister explain how the government is adopting a moderating stance, to cope with the problem of inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, not in answer to a question.

INFLATION—SUGGESTION ATTEMPT TO ACHIEVE CONSENSUS ON RESTRAINT IS SUBSTITUTE FOR LEADERSHIP

Mr. J. P. Nowlan (Annapolis Valley): A supplementary question, Mr. Speaker. A little while ago there was an election, during which the Prime Minister said that we had made some progress and that the problem of inflation was world-wide. Statements made this week suggest we have made progress, to the extent that we have reduced the problem of inflation to three factors, namely, the use of consensus, the energy conference and the result therefore, and what happens in the United States, and there has been little progress there. As the ministers of finance are not even meeting today, although they are supposed to, which takes care of the elusive consensus, and as the energy conference did not produce any concrete results—

Mr. Speaker: Order, please. I indicated briefly on Monday the desirability of keeping preambles to questions to a minimum, particularly to supplementary questions, to which, if possible, there should be none. In view of that admonition, and as the hon. member has perhaps continued for long enough, could he ask his supplementary.

Mr. Nowlan: Mr. Speaker, what I said was not a preamble to my question. It was part of the body of the question. I was asking about the three factors which the Minister of Finance said this week related to the budget and when the government will finally come to grips with inflation. I dealt with the first two factors, the consensus and the energy conference. As for the U.S. problems, anyone looking at television last night would have seen how unsettled conditions there are. In view of all this, will the Prime Minister be as realistic and factual as he was when he was a writer and finally admit that the whole consensus search is just a charade and a cop-out from leadership on the question of inflation.

INFLATION—SUGGESTED EXISTENCE OF CONTINGENCY PLAN FOR PRICE AND WAGE CONTROLS—POSSIBILITY OF IMPLEMENTATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In a newsletter to his constituents, the Minister of Labour, after saying that the government had found it necessary to establish a prices review board, went on to say, and I quote:

> The government also has a contingency plan if for some reason this board fails in its effort to control prices. The contingency plan would involve the establishment of a form of wage and price control, which you have shown your concern for in the last questionnaire which was returned to me.

Some 62 per cent of the minister's constituents agreed with this form of contingency plan. Can the Prime Minister now say if this form of contingency plan is still on the shelf, and what does it take to make this government implement it.

Mr. Munro (Hamilton East): Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. We established earlier this week that unless the question of privilege or point of order raised during the question period is of immediate urgency, it must wait until twelve o'clock.

● (1140)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think the hon. member raised that same point several months prior to the last election. On each occasion he has failed to indicate the date when that letter was sent out, which leads to all sorts of misunderstanding and misrepre-

sentation. This letter was sent out at a time when the government was considering contingency plans and inflation was due to many different factors than it is today.

Mr. Alexander: Mr. Speaker, the Prime Minister has evaded the question. In light of the fact the prices review board has not been any great success, and in light of the fact the consensus seems to be mythical and elusive, notwithstanding what the Minister of Labour is talking about, can the Prime Minister now advise whether the government has a contingency plan involving a form of wage and price controls such as they had in June of 1973 and what it takes in order for the government to face reality and bring in the same?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to assure the hon. member that I was not evading the question by allowing the Minister of Labour to stand up. I knew that, if given a chance, he would point out the shabby practice in which members of the opposition indulge.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, this matter is too important for me to be playing games with the Prime Minister. Will the Prime Minister now answer my question or are we to conclude that he and his government are bankrupt in terms of presenting any type of plan in order to deal with inflation?

Mr. Trudeau: Mr. Speaker, I have the impression that the hon. member is playing games by reading a quotation without indicating the date of it. It is something which goes back a considerable amount of time.

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PUBLIC SERVICE

INQUIRY WHETHER GOVERNMENT PROPOSED REGIONAL WAGE RATES FOR AIRPORT FIREFIGHTERS—GOVERNMENT POSITION ON FAIRNESS OF REGIONAL WAGE RATE SYSTEM

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the President of the Treasury Board. Has the government proposed regional wage rates in the collective bargaining that is now going on with firefighters who are employed by Transport Canada airports across the country? I will ask my supplementary at the same time.

Some hon. Members: Oh, oh!

Mr. Fairweather: I can sit down and get up again as everybody else does or save time. It does not really matter to me. Is there any evidence where the regional rates are paid that the cost of living is any higher than in the rest of the country? Where is the fairness in the regional wage system?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, with regard to those negotiations, I believe the problem was this: the union chose to go to arbitration and the matter is now before an arbitrator, if I am not mistaken. As for the policy on regional rates, there are pros and cons. The government favours a policy of regional rates for federal employees in general.

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[*English*]

ENERGY

OIL—AMOUNT BY WHICH GOVERNMENT INTENDS TO INCREASE PRICE AND JUSTIFICATION THEREFOR

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister. It arises out of his statement at his press conference yesterday to the effect that if no agreement can be reached with the provinces, the federal government intends to raise the price of crude oil unilaterally under Part II of the Petroleum Administration Act. I have two brief questions. First, by how much per barrel does the government intend to increase the price of crude oil? Second, what justification is there for any increase in price in view of the exorbitant profits which the oil companies have made out of the present price of $6.50 a barrel?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, what I indicated at the conference and at the press conference following was that we were still hoping a consensus would be reached. However, since it is impossible tp predict that with certainty, I indicated that we would be proceeding with the Petroleum Administration Act. This would put the government in a position where it would be able to exercise its constitutional powers, if and when this consensus could not be reached, and if and when some provinces unilaterally envisage or contemplate a raise in price which we felt was not in the public interest.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since the Prime Minister has said the government has decided reluctantly that an increase in price is warranted, will he now advise what justification there is for an increase in price in view of the substantial profits which have been made on the basis of the present price and if the reason for an increase in price, as the Prime Minister indicated to the conference, is the need for increased exploration? What steps does the government intend to take to ensure that any increased revenue to the oil companies will be used for exploration when they have not used their present profits to bring about increased exploration in this country?

Mr. Trudeau: Mr. Speaker, every premier and myself, at the conference and publicly over television, gave reasons why the price would have to go up. Some said at this time and some said subject to various conditions. I do not see any possibility in the space of the question period of summing up all those arguments which were made publicly. I will send the hon. member a copy of my speech if he has not had an opportunity of reading it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have read the Prime Minister's speech several times. The House is entitled to some information. If the government is convinced that an increase in price is

required in order to supply a cash flow to the oil companies, and they have not used the very large cash flow they have for exploration, in fact exploration has declined, surely the government has some program in mind to ensure that any increase in price does result in increased exploration for oil in this country.

Mr. Trudeau: Mr. Speaker, not only do we have some program in mind, but many steps have already been taken. The Minister of Energy, Mines and Resources, over television the day before yesterday and at the press conference yesterday, indicated some $2 billion had been committed by the federal government since January 1974 to ensure further exploration and development of energy in Canada.

OIL—CONDITIONS UNDER WHICH FEDERAL GOVERNMENT MIGHT SET PRICE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Prime Minister. Understandably, he would like to see a general agreement among all the provinces and his own government with regard to the price of oil and natural gas. However, when the Prime Minister contemplates fixing a price unilaterally by the federal government in the absence of an accord, is he thinking in terms of an accord with all provinces, including the consuming provinces, or is he thinking in terms of the necessity of an agreement between the federal government and the producing provinces to avoid the government of Canada having to set a price unilaterally?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at this stage I still hope that, like last year, we will be able to reach an agreement between all provinces, the consuming as well as the producing. If that does not happen, we are in the area of a hypothetical question and I do not know how to answer at this time.

Mr. Stanfield: Mr. Speaker, I do not wish to be argumentative with the Prime Minister. However, it is important that the House know the policy of the government and whether a price would be set unilaterally, according to the policy of the government. If an agreement could be reached between the government of Canada and the producing provinces, would that obviate the necessity of the government fixing a price or prices unilaterally?

Mr. Trudeau: Mr. Speaker, I understand the concern of the Leader of the Opposition, but I wish him to understand that it is the government's preference that there be no unilateral action. If I were to indicate what course I would adopt in the absence of an agreement, surely the provinces would lose their incentive toward an agreement. I would very much prefer all provinces, both consuming and producing, to work toward that agreement and not give them the excuse of saying that the federal government has already decided to act unilaterally.

● (1150)

FEDERAL-PROVINCIAL CONFERENCE

INQUIRY WHEN YUKON AND NORTHWEST TERRITORIES WILL BE REPRESENTED BY ELECTED REPRESENTATIVES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister. Since all other Canadians were represented at these talks on the pricing of oil by their elected representatives, and since his minister of northern affairs, in response yesterday to a question of mine, indicated that in the case of the Yukon and Northwest Territories this representation was the responsibility of the federal government, was the Prime Minister, in stating his views on the pricing of oil at this conference, purporting to express the views of the citizens of the Yukon and Northwest Territories? If not, when is provision going to be made for the people of those two territories to have a voice in conferences such as this through their elected representatives?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to check the arrangements that were made, but the instructions that I gave were that we follow the usual practice, and that is that as members of the federal delegation there be some representatives from the Yukon and Northwest Territories.

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AGRICULTURE

POTATOES—POSSIBILITY OF EXTENSION OF SUPPORT PROGRAM FOR EASTERN PRODUCERS TO WESTERN PRODUCERS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has his department received submissions and, in effect, made any decision to extend the potato stabilization program that was applied to eastern Canada and the maritimes to Manitoba and other areas of western Canada, or is he introducing a new program for western Canada to alleviate the problems that the producers of potatoes are having in western Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have received representations from Manitoba and from Alberta concerning the problem they are confronted with, and we are considering these representations at the present time. Although they have some problems in those provinces, they are not nearly as large as those in the maritimes, Quebec and Ontario.

Mr. Murta: A supplementary question, Mr. Speaker. In view of the minister's answer, which seems to indicate that there will not be any assistance for the producers of western Canada, if I read what he has said correctly, how can the government or his department justify coming out with a stabilization program for one part of the country that is affected by the problem and not applying the program equally across the country to assist other affected producers in much the same manner?

Mr. Whelan: Mr. Speaker, at the time the request was made for aid for the maritime provinces, prices in Alberta were averaging $4 a hundredweight, $3 a hundredweight bulk delivery from Manitoba. Since that time one of the delivery points for Manitoba in the United States has gone bankrupt. However, I will consider the hon. member's representation, and if there is need we will come up with a plan to assist those producers who are in financial difficulty as a result.

* * *

EXTERNAL AFFAIRS

POSSIBILITY OF REASSESSMENT OF DIPLOMATIC RELATIONS WITH PORTUGAL—GOVERNMENT POSITION ON REQUEST FOR EARLY MEETING OF NATO

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the present trend toward the militant Communist-led left in our NATO ally Portugal, has the minister any plan for reassessing Canada's diplomatic role with this country, and will the minister be giving leadership to western democratic countries by supporting the United Kingdom's request for an urgent summit meeting of NATO countries in May?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, with respect to the latter part of the question, the answer was given yesterday, both by the Acting Prime Minister and myself. We are certainly in agreement in principle with the concept of a NATO summit. We are asking some questions about the timing, but we have expressed a willingness, if the meeting is to take place, to be present.

With respect to Portugal, I believe the situation is not sufficiently clear at the moment to undertake the type of action that the hon. member suggests. An election is to be held in that country and we hope this will provide the people of that country with an opportunity to elect in a free way a government. Following that election would seem to me the appropriate time to assess the situation. I would assure the hon. member that the matter is under very close study, and following that election it may be possible to make a clearer judgment.

Mr. Crouse: A brief supplementary question, Mr. Speaker. The minister has stated that there will be freely held elections in Portugal. I would ask him to explain how this can be possible when one party has been ruled out of entering the list in that particular country.

Mr. MacEachen: As a matter of fact, I did not state that freely held elections would take place. Certainly, it is my view—and this has been urged upon the Portuguese authorities—that the greatest possible opportunity should be afforded the people to select their representatives in a freely conducted election.

FISHERIES

UNITED STATES BAN ON CANADIAN SWORDFISH—REQUEST FOR RECONSIDERATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to address my question to the Prime Minister since it involves at least four departments, fisheries, environment, industry, trade and commerce, external affairs, and possibly national health and welfare. Since American fishermen are laughing all the way to the banks—the fishing banks and the financial banks—over their country's ban on Canadian caught swordfish, though their own state swordfish markets are big, would the right hon. gentleman cause this whole matter to be looked at again with determination to correct what has become an injustice against Canadian fishermen?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I realize the matter does concern several departments and that it is an important one. I will undertake to seek an answer and advice regarding the question asked by the hon. member.

* * *

THE ARTS

CRITERIA FOR ALLOCATION OF CANADA COUNCIL GRANTS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Secretary of State. On Wednesday I asked the minister whether his department has established any criteria to define what is pornography when allocating Canada Council grants for the arts. His answer, as recorded at page 4644 of *Hansard*, was "Of course not". Does the minister not make a distinction between the right of free expression of an artist who is self-supporting and the artist's responsibility when living on the largesse of taxpayers' contributions?

Mr. Speaker: Order, please.

* * *

NATIONAL DEFENCE

POSSIBLE PURCHASE OF LAND NEAR CHILLIWACK—REQUEST FOR MEETING WITH RESIDENTS OF AREA

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I direct my question to the Minister of National Defence. In view of the rather amazing answer the minister gave my colleague from Victoria the other day, could I ask the minister whether he would advise the House if it is the irrevocable decision of his department to proceed with the acquisition of approximately 700 acres of land in the Columbia valley region of British Columbia for the purpose of extending CFB Chilliwack?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we do have options to purchase a little over 400 acres in the Chilliwack area, and we are negotiating the possible purchase of an additional 200 acres.

Mr. Patterson: A supplementary question, Mr. Speaker. In view of the alleged unethical procedures used in seeking options on some of the properties involved and the effects upon the whole valley of the establishment of a project such as is contemplated, would the minister assure the residents that his officials will be present to discuss with them on a mutually satisfactory date the total program?

Mr. Richardson: Yes, Mr. Speaker. No purchase has been made and I would be pleased to make the arrangements to have officials meet with any citizens who are interested in this land transaction.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, on a point of order, on Monday we will be calling Bill C-32, the Petroleum Administration Act.

Mr. Clark (Rocky Mountain): Mr. Speaker, I rise on a point of order simply to ask you, as Speaker, in preparing your comments and directions regarding the experimental question period, to give consideration to the deliberate practice of the Secretary of State for External Affairs when answering questions to speak as slowly as possible in order to consume time during the question period.

Some hon. Members: Oh, oh!

Mr. Speaker: I welcome the opportunity to indicate to the House that it will be my pleasure to give a statement to the House on Monday. It will not include any comments on the quality or word rate of any members of the House of Commons.

* * *

● (1200)

EXTERNAL AFFAIRS

TABLING OF REPORT OF CANADIAN FOOD ALLOCATION PROGRAMS

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I should like to table, in both official languages, the report of the Canadian Food Allocation Programs for the fiscal year 1975-76.

* * *

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Second report of Standing Committee on Broadcasting, Films and Assistance to the Arts—Mr. Douglas (Bruce-Grey).

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

Order Paper Questions

Mr. David MacDonald (Egmont): Mr. Speaker, I rise on a point of order which might come close to being a question of privilege. It concerns the tabling just a moment ago by the Secretary of State for External Affairs (Mr. MacEachen) of a report in respect of food allocations for 1975-76.

In view of the importance of this matter in terms of Canada's role last fall at the food conference, and the importance of continuing dialogue in this regard, I rise on a point of order in that the minister had tabled what I hope is an important document on the eve of his departure: he will be out of the country for I do not know how long, thus making it impossible for members to question or examine him on this document either in the House or in the committee. I hope it will not become the standard practice of ministers to table important documents and then disappear for a considerable time, thereby not allowing the House to deal with these matters of importance.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,532, 1,602, 1,883, 1,906.

Mr. Speaker, if starred question No. 1,789 could be made an order for return this return would be tabled immediately.

I would ask that question No. 637 be made an order for return, and also ask the consent of the House to tabling immediately the information which has already been submitted, and the balance of the information will follow as soon as it is submitted to me.

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

[*Text*]

LETTERS FROM MEMBER FOR LEEDS TO SECRETARY OF STATE

Question No. 1,532—**Mr. Cossitt:**

1. Did the Secretary of State receive a letter dated December 3, 1974 from the Member for Leeds asking for certain information requested by the Brockville and District Branch of the Canadian Federation of University Women and, if so, has it been answered and on what date and, if not answered, on what date will it be answered?

2. Did the Secretary of State receive a follow up letter of January 30, 1975 on the same subject and, if so, has it been answered and on what date and, if not answered, for what reason?

3. Is it usual practice for the Secretary of State to allow over two months to elapse without acknowledging his mail and, if so, for what reason?

4. Will the Secretary of State take steps to have his mail from Members of Parliament and the public answered in less than two months?

Order Paper Questions

Hon. James Hugh Faulkner (Secretary of State): 1. Yes, the letter in question was answered on March 5, 1975.

2. Yes (See answer to part I).

3. It is the practice of the Secretary of State to acknowledge correspondence within ten days of receipt. However, under certain circumstances, when the substance depends on events or decisions beyond the jurisdiction of the Secretary of State, replies must be delayed.

4. Not applicable.

CANADIAN TRADE

Question No. 1,602—**Mr. Railton:**

1. Is it the policy of the government to diversify trade and to direct it towards the EEC, Iran, Japan and other areas of the world?

2. Have Canadians been penetrating businesses in the USA and, if so, how does the government intend to assist Canadian businesses to increase their export trade?

3. (a) Does the Department of Industry, Trade and Commerce encourage business to attend trade fairs in these foreign countries (b) does the Department financially assist companies wishing to visit distant countries for the purpose of increasing their trade?

4. (a) How effective is the trade diversification programme of the Department (b) what is its future to be regarding a percentile re-direction of exports to these countries from the USA?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Yes, the policy of the government is to encourage the further diversification of Canadian trade to a number of important foreign markets while at the same time maintaining and enhancing our trade and economic relations with our traditional trading partners.

2. Yes, Canadian firms are increasingly active in the U.S. market. Many of these firms receive assistance in their marketing efforts through a variety of programs of the Department of Industry, Trade and Commerce. In addition, the services of Canadian Government Trade Commissioners and qualified trade staffs are available in 14 major U.S. business centers.

3. (a) Yes, the Department of Industry Trade and Commerce actively encourages and assists businesses to attend, and participate in, important trade fairs throughout the world. (b) Yes, the Department financially assists companies to visit foreign countries for the purpose of increasing their trade. This is mainly accomplished through the Trade Fairs and Missions Program as well as the Program for Export Market Development (PEMD).

4. (a) Canada's exports have increased to a number of important markets such as the EEC, Iran and Japan where the department has undertaken a considerable number of trade promotional activities. (b) No particular percentile goal has been set for this diversification program.

PROMOTION OF BILINGUALISM IN EDUCATION

Question No. 1,883—**Mr. Neil:**

For the fiscal years 1970-71, 1971-72, 1972-73 and 1973-74, what was the total grant paid to each province under the Federal-Provincial Programme for bilingualism in education to promote (a) English (b) French?

Hon. James Hugh Faulkner (Secretary of State): The following is a list of funds distributed for (a) French language projects (b) English language projects and (c) projects involving the two official languages indiscriminately:

(a) French (second language and minority language)

Provinces	1970–71	1971–72	1972–73	1973–74
Newfoundland	123,485	181,629	194,891	165,131
Prince Edward Island	101,490	128,905	115,589	125,501
Nova Scotia	733,615	847,575	808,857	721,869
New Brunswick	3,690,660	6,664,993	5,724,308	6,459,163
Quebec	0	0	0	0
Ontario	12,164,400	21,438,234	18,083,862	21,623,189
Manitoba	849,557	1,133,693	1,176,301	838,906
Saskatchewan	597,063	432,914	671,654	366,823
Alberta	865,359	1,075,811	954,094	747,297
British Columbia	883,558	1,018,744	819,857	969,223

(b) English (second language and minority language)

	1970–71	1971–72	1972–73	1973–74
Quebec:	29,986,813	42,600,236	34,038,043	38,261,596
Other provinces:	0	0	0	0

(c) French and English (indiscriminately)

Provinces	1970–71	1971–72	1972–73	1973–74
Newfoundland	—	—	29,200	28,200
Prince Edward Island	—	—	111,840	58,682
Nova Scotia	—	—	142,378	72,220
New Brunswick	—	—	44,625	121,791
Quebec	—	—	127,200	835,965
Ontario	—	—	146,979	625,266
Manitoba	—	—	12,952	158,611
Saskatchewan	—	—	112,615	154,071
Alberta	—	—	71,913	137,107
British Columbia	—	—	0	49,802

WAR VETERANS ALLOWANCE DISTRICT AUTHORITIES

Question No. 1,906—**Mr. Marshall:**

1. How many CWA/WVA cases are handled by the district authority in each province?

2. What amount of money is being disbursed for Civilian War Allowances and War Veterans Allowances in each province as of January 1, 1975?

3. How many people are on staff at each district authority office responsible for administering CWA/WVA in each province as of January 1, 1975?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

	1. Caseload	2. Disbursement	3. Staff
Newfoundland	4,780	$ 9,675,559	7
Prince Edward Island	1,242	2,573,027	2
Nova Scotia	7,784	15,330,817	14
New Brunswick	5,417	11,240,464	8
Quebec	10,495	18,277,479	13
Ontario	29,454	44,036,515	52
Manitoba	5,254	7,070,676	8
Saskatchewan	3,308	5,222,292	8
Alberta	5,834	9,192,573	12
British Columbia	12,998	18,169,924	26

QUESTIONS PASSED AS ORDERS FOR RETURNS

INFORMATION SERVICE OFFICERS

Question No. 637—**Mr. Stevens:**

As of March 31 in each of the years 1967, 1969, 1971-1973 and 1974 (a) how many Information Service Officers were employed by the government and what were the aggregate salaries paid such officers (b) how many others, while not classified as Information Service Officers, were employed by the government and performed one or more information functions and what were the aggregate salaries paid to such government employees (c) were non-governmental information service agents or agencies utilized and, if so (i) what were their names (ii) what were the fees or other types of remuneration, compensation and expenses paid to each such agent or agency?

Return tabled.

*PAYMENTS RECEIVED BY CANADA FROM UNITED NATIONS

Question No. 1,789—**Mr. Stanbury:**

1. What payments has Canada received from the United Nations in accordance with the agreed formula for reimbursement for our contributions to the UN Emergency Force and the UN Disengagement Observer Force in the Middle East?

2. What arrears are owing to Canada on this account?

3. What countries are in arrears of payment of their special UN assessments for the maintenance of these forces?

4. Has the government inquired, or will it inquire, of the countries in arrears, the reasons for their default and their views as to the value of Canada's continued participation in these forces?

Return tabled.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

EXTERNAL AFFAIRS

CIVIL ACTION BY CAPTAIN OF "GREENPEACE III" AGAINST FRENCH GOVERNMENT—ASSISTANCE BY CANADIAN GOVERNMENT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, pursuant to Standing Order 26, I ask leave to move a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration. I have given you a lengthy document with my reasons and I will not go through that document now. My only point is asking for this debate on the *Greenpeace III* is that the trial of Captain McTaggart will begin on May 12.

There is urgency in considering the matter now because this government has stated it will give him assistance, but he is not getting the assistance required. Also, we have the statement by French officials that there was collusion between the French government and the Canadian government in the boarding of the *Greenpeace III*. I think we should have an opportunity to debate this matter in the House before the trial of Captain McTaggart takes place, in order that he will have the weight of the support of the Canadian government at his trial against the French government.

Mr. Speaker: Order, please. As the hon. member has indicated, he has given the Chair notice of his intention to move the adjournment of the House pursuant to Standing Order 26. While it is customary to indicate that notice has been received, in this case there is some problem with the notice. However, were there not I should point out to the hon. member that I would have no difficulty in ruling that this is not a proper subject for debate under Standing Order 26.

In so saying, may I indicate that notwithstanding the importance of the subject—and, quite frankly, hon. mem-

bers rarely raise a subject under this rule that is not important and worthy of consideration, and this is certainly no exception; it is a very important question—debate on a matter under Standing Order 26 is reserved for matters that present an emergency and an hon. member moves that the House do adjourn because of the emergency nature of the matter.

The matter raised by the hon. member is, by its very nature—supported by the context of the hon. member's remarks—some two years old. The trial which is to take place is a civil trial and is not scheduled for another month. Under these circumstances, it would be stretching the provisions of Standing Order 26 and its interpretation beyond the limits if I were to find that the motion came within the order. I therefore have no hesitation in not accepting the hon. member's proposal.

GOVERNMENT ORDERS

[*English*]

PROPRIETARY OR PATENT MEDICINE AND TRADE MARKS ACTS

MEASURE TO REPEAL THE PROPRIETARY OR PATENT MEDICINE ACT AND AMEND TRADE MARKS ACT

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill S-9, to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order which relates to the question of where we send this bill after it is given second reading. Since it is a very simple bill and likely to occasion little debate, and since the committee to which it is referred is overloaded with work, I wonder if there might be an agreement to deal with the bill, after second reading, in committee of the whole.

Mr. Sharp: Mr. Speaker, as far as we on this side of the House are concerned, we would accept that suggestion.

Mr. Baldwin: Mr. Speaker, that is perfectly satisfactory.

Mr. Speaker: I would ask the House, then, in respect of the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles), if there is unanimous consent that the motion be amended at this time so that the reference would be to a committee of the whole rather than to the Standing Committee on Health, Welfare and Social Affairs.

Some hon. Members: Agreed.

Mr. Speaker: The motion is so amended.

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

[Mr. Speaker.]

Mr. Baldwin: Mr. Chairman, I rise on a point of order. I was not listening carefully, but having spoken with the hon. member for Athabasca, who is in charge of this matter on behalf of our party, I find that while we agreed that the matter should be referred to committee of the whole rather than to the standing committee, we were under the impression that there would be at least limited debate on second reading. If, in fact, the order made was to the effect that second reading be eliminated, that was not the understanding of this party.

I felt I should bring this matter to Your Honours' attention of the House. It was not our understanding that this bill would be sent to committee of the whole without at least some debate on second reading. If that was the order, it was not our understanding or belief.

Mr. Knowles (Winnipeg North Centre): As the one who made the suggestion, Mr. Chairman, let me say that I was not proposing that there be no debate on second reading. I thought there would be a short debate on second reading and little or no debate at committee of the whole stage. I suggest that the second reading stage having taken place so quickly, and this was no doubt an oversight, perhaps the situation could be corrected simply by allowing the so-called second reading speeches to be made now.

The Chairman: Order, please. I suggest there is an alternative; either to ask the Chairman to occupy the Speaker's chair and have a second reading debate, or to allow general debate on the first item of the bill within the confines of the committee of the whole. I am sure hon. members can express their views in the same way, unless they are looking forward to a type of proceeding of the House other than second reading stage.

● (1210)

Mr. Baldwin: Mr. Chairman, under those circumstances, and to facilitate the proceedings, I think we agree that we should have what would be the equivalent of a second reading debate on the first item. However, I urge Your Honour, when paying attention to the quality and direction of the debate, to lean lightly on members so that to all intents and purposes we have the same situation as in a second reading debate, except that speeches would be limited to 20 minutes but the same member might be allowed two 20-minute periods instead of one 40-minute period.

The Chairman: The Chair does not have any difficulty in respect of the suggestion of the hon. member for Peace River. We will proceed to the consideration of clause 1.

On clause 1.

Mr. Lalonde: Mr. Chairman, I did not think the consideration of this bill would move so quickly, but I thank you for your interpretation of the rules in allowing us to have some debate, at least, at this stage that is similar to debate at second reading stage.

I should like to take a few minutes to put before the House the purpose of this legislation which is amending an act that has been part of Canadian legislation for quite a long time and which has had a consequential effect upon Canadians. The introduction of this bill to repeal the

Proprietary or Patent Medicine Act marks a significant advance in the continuing development of Canadian drug legislation. So that the House may gain a better appreciation of the government's proposal and policies concerning proprietary medicines, I will briefly outline the history and development of the act, its relationship to the Food and Drugs Act and Regulations, and the future of proprietary medicines.

[*Translation*]

The origin of the term "patent medicine" dates back to the late 18th century, in England, when a royal "patent", or exclusive right, could be obtained for the formula of a medicinal preparation which was claimed to help the sick in some way. Such a preparation was distinguished from the other recognized medicines of the day in that the formulae of the latter were published in pharmacopoeias and, therefore, their compositions were generally known to anyone who cared to consult the appropriate text book. In other words, the compositions of "patent" medicines were kept secret, while the compositions of pharmacopoeial medicines were public knowledge. The word "proprietary" as in the Proprietary or Patent Medicine Act, originally indicated that someone "owned" a formula which was, therefore, in effect, a trade secret. Today, however, the term "proprietary medicine" is associated with products which are available to the general public for self-medication.

Early Canadian legislation did not concern proprietary or patent medicines. There were no controls over manufacturers of such medicines and hucksters peddled fraudulent, worthless, even hazardous, products. Some of these cure-all concoctions contained dangerous substances, such as cocaine, strychnine or arsenic, and high concentrations of alcohol. Indeed, one famous preparation, promoted for the relief all old kinds of dreadful disorders grouped under the euphemism of female problems, probably owed most or all of its activity to the 18% of alcohol it contained—added—so the label said—solely as a solvent and preservative.

[*English*]

Some of the most romantic and colourful aspects of the early days of patent medicines in this country were the names of the products themselves and the claims made for them. Our grandfathers and grandmothers guzzled, smeared or otherwise employed such exotic concoctions as Lydia Pinkhams' Compound; Green Mountain Vegetable Ointment for piles, sore throats and swelled breasts; No-To-Bac, "to be used faithfully by those who desired to free themselves from the bondage of the tobacco habit"; Pratts' Healing Ointment, for Man and Beast; Munyon Pills—ads for which trumpeted the advice of, "Doctor yourself; there's a Munyon Pill for Every Ill"; and last but not least, Dr. Pierce who offered $500 to women who could not be cured of female weakness by taking his medication. I suppose one might regretfully infer from the latter that in Dr. Pierce's day, as in our own, "female" and "weak" tended to be synonymous all too often.

One famous product was even named Razma. Mr. Speaker, I would not wish to suggest that some hon. members may not know their Razma from a hole in the ground, to paraphrase the hon. member for Prince Edward-Hastings, but I hope this brief resumé of the romantic past may at least have begun their enlightenment.

Responding to the demands of physicians, pharmacists and the general public, the government passed the Proprietary or Patent Medicine Act in 1908 to protect consumers from the hazards of such nostrums or cure-alls. The act was amended in 1919 and has continued in force essentially unchanged since that time. Meanwhile, the number of products registered under the act has decreased. In 1935, for example, there were some 5,600 proprietary medicines; today there are about 2,000.

Mr. Speaker, without delving into the technical details, I would like first to indicate the positive aspects of the present Proprietary or Patent Medicine Act. This act, which has served the Canadian public well, recognizes that there should be a class of products that can be used, without undue risk, by the general public, for self-medication. Such products are intended for the relief of symptoms associated with minor ailments, such as headache or indigestion, and they are intended for use without medical supervision. The government believes that such self-medication has an important place in the total health care system and serves to ease the pressure for services on health care professionals.

I want to stress that the provincial governments also recognize that such products should be available to the general public. At the present time, most provinces, through their provincial pharmacy acts, enable the sale of proprietary medicines outside pharmacies. To reiterate, we intend to ensure that future federal legislation will provide for a class of products which can be used for self-medication, and we have every reason to believe that the provinces concur in our actions and our policy. So much for the positive aspects of the present Proprietary or Patent Medicine Act which we want to preserve.

On the negative side, there is the so-called secrecy aspect of the act, which really has no place in today's modern, consumer-oriented society. The Proprietary or Patent Medicine Act permits the manufacturer of a proprietary medicine to keep the medicinal formula a secret from the public, although the Department of National Health and Welfare must, of course, be given access to it. With certain specified exceptions, ingredients are not required to be listed on the label of proprietary or patent medicine products. As already stated, this secrecy provision is no longer appropriate nor is it in the best interests of the general public.

The most logical course, once the secrecy provisions of the Proprietary or Patent Medicine Act are removed, is to bring the control of proprietary medicines intended for self-medication under the primary federal drug legislation, the Food and Drugs Act. Indeed, it is the opinion of our legal advisers that removal of the secrecy aspects of the Proprietary or Patent Medicine Act obviates the need for its further existence. Therefore, it is my intention to introduce a new division for proprietary medicines in the regulations under the Food and Drugs Act. Authority to do so is provided by that statute and no amendment to the Food and Drugs Act will be required. Because proprietary medicines will then be subject to the Food and Drugs regulations, a quantitative list of all medicinal ingredients will be required on the labels.

● (1220)

[*Translation*]

The new regulations concerning proprietary medicines will contain provisions enabling my Department to respond rapidly to the changing scientific and technological developments in the pharmaceutical field. There will be sections enabling a continuous scientific review of data pertaining to the manufacture, quality control, safety, and effectiveness of proprietary medicines.

For example, where additional information on the safety or effectiveness of a proprietary medicine is considered necessary, the manufacturer will have to supply that information upon request. It will be mandatory for the manufacturer to notify my Department whenever changes are made in the composition of the product since these may affect its safety or effectiveness. Once the manufacturer meets the requirements of the regulations, a certificate of registration will be issued for his product, permitting him to sell the product. However, if in the light of subsequent experience the information submitted is found to be insufficient, the certificate of registration could be revoked. If this occurred, it would no longer be permissible to sell the product as a proprietary medicine.

As I said before, proprietary medicines are intended for self-medication with minimal, or no, medical supervision. Therefore, as with the present Proprietary or Patent Medicine Act, certain drugs considered dangerous will not be permitted at all in proprietary medicines. Other, less hazardous drugs will be permitted only within specified limits. To that end, the new regulations will contain a schedule listing both types of drugs. This schedule will, of course, include all those drugs not now permitted in medicines registered under the Proprietary or Patent Medicine Act such as prescription, controlled and narcotic drugs as well as others.

Permit me to summarize: the new Regulations under the Food and Drugs Act will provide for,

(1) review on initial registration of the medicine,

(2) review as the need arises during the currency of the registration of the proprietary medicine,

(3) review of information submitted by the manufacturer regarding changes in his product which might affect its safety and effectiveness,

(4) scheduling drugs prohibited or permitted in only limited amounts in proprietary medicines, and

(5) more readily applying the Food and Drug Regulations to proprietary medicines.

[*English*]

Now I would like to outline briefly the conditions under which various drug products can be sold, and to indicate the concern of my department that we do not disrupt this established pattern unnecessarily. As hon. members know, prescription drugs can be sold on the authorization of a prescription issued by a practitioner. Non-prescription drugs can be sold without such authorization. By virtue of provincial legislation, prescription drugs and those non-prescription drugs not presently registered under the Proprietary or Patent Medicine Act can be sold only in drug stores or pharmacies. In general, also by virtue of provincial laws, only proprietary medicines presently registered under the Proprietary or Patent Medicine Act are available outside pharmacies. Thus, in a pharmacy one can obtain all types of drugs, while in a non-pharmacy outlet one may obtain only proprietary medicines.

Finally, I would like to consider some of the timing involved in this legislation. The bill before us proposes that the effective date of repeal of the Proprietary or Patent Medicine Act be July 1, 1976. The majority of provincial pharmacy acts contain references to the Proprietary or Patent Medicine Act. As I have indicated, such references exempt drugs registered under the Proprietary or Patent Medicine Act from the general prohibition of sale of drugs outside pharmacies. The repeal of the Proprietary or Patent Medicine Act and the transfer of proprietary medicines to a separate division of the Food and Drugs Act regulations will therefore require changes in the provincial acts. I understand that the necessary changes in the various pieces of provincial legislation are considered to be minimal, consisting essentially of the deletion of references to the Proprietary or Patent Medicine Act and insertion of appropriate references to the new regulations concerning proprietary medicines under the Food and Drugs Act.

As I indicated in reply to a question put by the hon. member for Vaudreuil (Mr. Herbert)—who has shown great interest in this issue, for which I congratulate him—I have had contacts with my provincial colleagues in connection with this bill. At the federal-provincial conference of health ministers in February, 1974, my colleagues agreed that the federal government could repeal the Proprietary or Patent Medicine Act and substitute other regulations providing for greater disclosure. Further, the provincial registrars of pharmacy met with officials of my department on October 3 and 4, 1974, and due consideration was given to the changes that would be required in provincial pharmacy legislation. Moreover, there have been extensive consultations with representatives of the industry on this subject. Prompt passage of this bill will enable the provinces to have sufficient time to pass the necessary legislation to ensure a smooth transitional period; I wish to thank the House for its co-operation to date in ensuring prompt consideration of the bill.

In concluding, Mr. Chairman, I am confident that if the House passes this bill, we will have removed the secrecy aspect inherent in the Proprietary or Patent Medicine Act and will, thereby, make available to the general public essential information by requiring that medicinal ingredients be listed on the labels of proprietary medicines, without interfering with the availability of such products for self-medication. Indeed, as I indicated in reply to another question of the hon. member for Vaudreuil, this bill is intended to protect consumers and to improve access by consumers to information on drugs sold over the counter.

Mr. Holmes: Mr. Chairman, I assume that while we are in committee of the whole we have an opportunity to make comments and perhaps to intersperse them with questions. If that is the case, that may well be my format. Let me say at the outset that I welcome the opportunity to participate in this debate. Although the bill before us is rather short, I think it is an important piece of legislation, as has been indicated by the minister. I want to tell him at the outset that we agree in principle with the repeal of the

Proprietary or Patent Medicine Act and its inclusion under the Food and Drugs Act. I was interested to hear the minister make at least brief reference to the regulations. His comments were not detailed and I will have some specific questions related to that. I wish to take issue with the practice of the government, when introducing legislation in which reference is made to regulations which are obviously the important, operative component of a bill, to refuse to include the regulations. I want to stress the fact that while agreeing with the intent of the bill it is impossible for me to comment upon the ultimate effect or success of the legislation without knowledge of the proposed regulations and of the specific details included under the Food and Drugs Act.

● (1230)

I recognize that there is a need in many instances to pass regulations to fulfil the intent of proposed or existing legislation. However, I believe that when such regulations exist or are contemplated, if we are to have a meaningful debate and meaningful input by all those interested in the legislation it is essential for the government clearly to define the regulations either preceding the introduction of the bill, during the debate or certainly when the legislation is before the standing committee. Let me give a couple of examples which have come to my attention in the short time I have been in this House. The first one is Bill C-28 which is on the order paper and is an act to amend the Animal Contagious Diseases Act. I think it is important. Several provisions of the bill are to clarify provisions of the act for which regulations exist, and the Department of Justice has, rightly, raised questions as to whether there is adequate authority under the act to evaluate and incorporate the regulations under which they are operating. A significant number of the provisions of the bill basically are to clarify these purposes. The point I wish to make is that that bill clearly demonstrates that regulations previously passed by governor in council now form a substantial part of the bill before the House.

In the same bill there is a new feature which gives authority to regulate the care and treatment of animals while in transit, for the purpose of reducing the incidence of sickness and disease. It is an attempt to eliminate losses during transportation and provides for the implementation of regulations affecting the movement of livestock by all forms of transportation. No one questions the intent of the legislation, but I suggest very seriously that a valid judgment cannot be made on the safe and humane transportation of animals or the maximum efficiency and speed in the movement of livestock without a thorough understanding of the proposed regulations.

I strongly urge the government and the minister to establish a mechanism whereby regulations can be thoroughly assessed so that affected parties have a substantive input in the development of these regulations. I find it inexcusable that a government would introduce legislation in which regulations form the important, operative part of the bill yet the House is not privileged to assess these regulations, many of which must be in existence or formulated at the time the bill is drafted. I want to remind hon. members that regulations or proposed regulations are the spawning ground for future legislation, and as such should be part of the debate.

Another bill is the environmental contaminants bill which was recently given second reading in this House. Again I want to stress the fact that extensive reference was made to a schedule and regulations, the details of which are not included in the bill and were not adequately discussed by the minister. This practice has, again, preempted members of this House from assessing the ultimate success of the bill, and perhaps more important, the government's intentions in respect of dealing with environmental health problems.

I am certain that all hon. members can provide additional examples and enlarge on the difficulties they have in assessing the full impact of proposed legislation because of inadequate details with respect to the regulations presented to this House. I would strongly urge the minister, preferably before the completion of the debate, to provide details of the regulations under this legislation to hon. members and interested parties.

I have no hesitation in indicating that the Proprietary or Patent Medicine Act has outlived its usefulness—the minister has indicated this—but I also wish to stress that it has served a useful purpose in our over-all approach to drug therapeutics and I hope some of the positive features of the act will be retained. The minister has also made reference to this question.

Those involved in the delivery of health care have long recognized that medication for minor ailments should be available to the general public without the necessity of having to obtain a prescription. Let me give two examples of the importance of this modality of treatment. If one reviews the World Health Organization estimates, one will find that 63 per cent of drug treatment is self-medication. I refer to "View from Ottawa" of March 3, 1975, "Report on Use of Non-Prescription Drugs Released" and quote as follows:

> A preliminary government report on the use of non-prescription drugs by Canadians showed that about half of those surveyed used at least one drug daily. Vitamins accounted for the largest proportion: about 37 per cent of respondents reported daily use. Another 7 per cent said they used cold medicines daily, while another 10 per cent used cough medicines daily. Over the year preceding the survey, 96 per cent of those sampled said that they used at least one remedy-type drug, and two-thirds reported using three or more.

I think these two examples will be some indication of the importance of self-medication. I want to say that with minor restrictions I believe this feature should be preserved. To do otherwise would place an unrealistic burden on the health care system, add substantially to the over-all cost of delivery of health care services and, most important, remove a form of treatment which has benefited thousands of Canadians, with the support of the majority responsible for the delivery of health care. On the surface, the most important feature of the bill—the minister has referred to this matter—is that it removes the secrecy provisions which exist at the present time. As hon. members know, the present situation does not require a quantitative list of ingredients on the labels of drug products which come under the Food and Drugs Act. At the present time, the ingredients are secret, known only to the manufacturer and the health protection branch of the Department of National Health and Welfare. Citizens have become more conscious about the quality of products and

the associated environmental health hazards and are seeking full disclosure and information on available products.

The minister indicated previously, and again during the debate, that the regulations controlling proprietary medicines will contain provisions enabling the regulatory authorities to respond rapidly to changing scientific and technological advances in the drug field. This implies that the regulations will contain sections enabling a continuous monitoring program and scientific analysis of data pertaining to the manufacture, quality, safety and effectiveness of proprietary medicines.

As I indicated at the outset, it is impossible to assess the effectiveness of the bill unless more substantial information is applied. I would like to ask some questions on this point: the minister may wish to make note of them and respond at a later time. Who makes the regulations under the Food and Drugs Act? Is it the minister? Is it the governor in council? What input do these bodies affected by the legislation have? The minister has made reference to the provinces. How extensive has consultation been with the provinces with respect to their pharmacy acts? As I recall, the minister said there seems to be some agreement, and I am sure he recognizes that we must have some indication as to their agreement with the whole principle of self-medication as enunciated by the minister in including this present bill under the food and drugs regulations.

Have the various provinces amended their present pharmacy acts so that we can be certain that this new format will be included in that for which the provinces will be responsible? Since this is under a new division—I think the minister mentioned this—of the Food and Drugs Act, does this imply that proprietary medicines are subject to all the regulations existing under the food and drugs regulations? Will there be other, separate regulations with respect to proprietary medicines? I think this is most important because there are some differences. The minister indicated that there will be a schedule, and he mentioned some of them; but will there simply be a list of drugs which can be included as proprietary medicines? Will there be a list of thousands of proprietary medicines in the form of a schedule? I am not quite clear on that and I hope the minister can enlarge on it.

I think the minister is also aware that at the present time there are hundreds, probably thousands, of proprietary medicines in existence. I will comment in a moment or two on the quality assurance of drug program; but does the minister visualize a similar type of program in terms of the safety and efficacy of these various drugs under the proprietary medicines bill? Another matter is, Mr. Speaker, that it is not unusual to see rapid changes in proprietary medicines. The minister made some reference to that question but did not say how he plans to monitor them. Will there be consultation with the industry to ensure such monitoring?

● (1240)

I want to ask the minister about drug identification numbers. I am sure he is well aware of the controversy which arose when that particular regulation was introduced. I have received a good deal of correspondence about it and have talked to many people involved in pharmacy. A lot of people felt that the program was costly and the results of questionable value. I should like to ask the minister whether anything will be done about the drug identification numbers program as it presently exists. I am sure there are many other questions that will be raised. As I indicated previously, if we are to have input of value with respect to this type of legislation, I think it is most important that the regulations be made available to interested parties.

The minister has not made reference to the safeguards he plans to ensure the quality, safety and effectiveness of drugs if we are to provide the Canadian public with safe and effective proprietary medicines. I now want to say something about the QUAD program. I know the minister is aware that I have not been too happy with the government's performance in managing the quality of drugs in Canada. I spoke on this matter on April 3, 1973, in the House. I believe the Canadian public has been misled and that those people involved in the health care delivery systems in the industry, and even in this House, have been misled.

I want to remind this House that when the present government first embarked upon a program of quality drug control it was introduced as the quality assurance of drug program. When the program was introduced, the Canadian people were informed that quality would be guaranteed, and this has been a permanent impression with the majority of Canadians. I want to bring to the attention of hon. members, however, that shortly thereafter the government reversed its decision and introduced the drug quality assessment program. I am certain the minister recalls his difficulties with that particular program. The minister has yet to tell the Canadian people that there is no guarantee of the quality of drugs. At this time the health protection branch is simply testing drugs at random and has not fulfilled its commitment to the Canadian people to guarantee the quality of all drugs.

I have referred to the secrecy aspects of the existing legislation and the necessity of abolishing this archaic approach. I have also stressed the importance of the quality of drugs. There is a third area that has received little of no government attention, however, and that is the problem of drug reactions. Let me put the question in its proper perspective. I should like to quote from the summary of an article entitled "Drug Reaction Control" which was written by Campbell and Napke, the latter person being chief of poison control and adverse reaction programs of the Department of National Health and Welfare. This article which was published in June, 1974, begins with these words:

> The incidence of drug adverse reactions (DAR) in hospital patients varies according to the intensity of monitoring from a low of 5 per cent to a high of 35 per cent. As many as 5 per cent of monitored patients may suffer DAR on admission to hospital, while more than 3.5 per cent of in-hospital deaths have been drug-attributed.

From this, the direct and indirect costs due to this problem are readily apparent. As I indicated, the government's initiative in this area is essentially zero, despite the introduction of this bill and the implication that by listing the ingredients the problem will vanish. I want to emphasize that there are two principal bodies which have called for this legislation, in my view. The first is the health care delivery system because of the growing awareness of drug adverse reactions and interactions, thereby creating a

demand for more information on the individual ingredients in medical formulation; the second is a more enlightened public which is demanding to know more about the medication it is receiving.

These observations lead me into the broad problems of drug advertising and marketing practices, both of which play an important part in the problems of drug misuse and drug reliance. It is essential to reassess the general practices and techniques as applied to the marketing of drugs for medical utilization. In my view, if one assesses the present techniques of advertising as evidenced in journals and direct mail to physicians, one may conclude that these contribute in a negative manner to the prescribing habits of physicians and to patient risk. There is need for a thorough re-evaluation of the Food and Drugs Act in this area. We must recognize that the advertising of all drugs, including non-prescription drugs, is potentially harmful and because of the visual impact, particularly on children, we must reassess the advertising of drugs on television.

There is an obvious need to emphasize the educative component regarding the use and misuse of drugs. There is a need to emphasize the positive by informing people about the problems of side effects and the dangers of over-reliance on drugs. I am not suggesting tight and inflexible regulations to govern the safety of existing or new drugs, since this could promote therapeutic isolationism. What I am suggesting is that a new attitude is required, one which would alter the present mentality of "above all, do no harm" to "above all, do good". I think if the minister and the government were to adopt this philosophy, then meaningful legislation might be possible.

In conclusion, Mr. Chairman, I would ask, what is the ideal we should strive for in drug legislation? Is it assurance of the safety and efficacy of the prescription drugs available for the use of professionals in the health care system and the safety and efficacy of non-prescription drugs available to the public? If this is combined with instructions for use that are correct and understandable, and if drugs are advertised and marketed in a positive manner, then I believe our drug laws will be immeasurably improved.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I have just a few words to say. It is our view that the minister has made a case for this bill which in effect calls for the repeal of the Proprietary or Patent Medicine Act, that repeal to be effective July 1, 1976. The arguments for it are, of course, that the act itself has outlived its usefulness and that there are other ways to deal with the matters that were covered by it.

The other important point, of course, is that the element of secrecy which is involved in the old act should be done away with. I think we will all agree that the hon. member for Lambton-Kent has made a useful contribution in the remarks he has just made, and we look forward to the answers the minister will give to the important questions that have been placed before him.

The only other comment I want to make is that when the question of drugs comes up, a concern that many of us have is for the cost of those drugs so far as older people are concerned. I was quite disappointed earlier this week when I put a question to the minister concerning pharmacare, hoping that he would show some interest in it. But the minister's answer in this parliament—I can hardly believe this is the same minister that we had in the last parliament—was "No".

● (1250)

Mr. Lalonde: Not at this time.

Mr. Knowles (Winnipeg North Centre): Sometimes his answer is just "No", and sometimes "Not at this time." This morning, when the hon. member for York-Sunbury asked a question about old age pensioners, I think the answer was just plain "No." The minister did not even enlarge the answer to "not at this time."

This is an area of real concern, Mr. Chairman. It seems to me that if the government is not prepared to come through with a pharmacare program for all the people of Canada, it should at least start it for old age pensioners and other special groups. I realize that this matter is beyond the confines of this particular piece of legislation, but I hope the minister will say a word on the subject. Generally speaking, although we want to hear the answers to the questions which have been put, we are prepared to support this bill.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Chairman, I wish to say a few words at the third reading stage, which in fact is a second reading of Bill S-9, an Act to repeal the Proprietary or Patent Medicine Act of 1908, which was amended ten years later, and also the Trade Marks Act had the Labelling Act. As far as the Proprietary or Patent Medicines Act is concerned, I believe it has lapsed with the enactment of the Food and Drugs Act.

At the outset, it was better than nothing and even if some concoctions seem a bit childish today, still there was confidence with which to build up patient morale. It is still said that good morale accounts for 50 per cent of the cure.

The minister referred a few moments ago to the somewhat comical names of certain remedies with doubtful virtues. But he said nothing of their psychosomatic effect in those days. I shall remind him that even today, there is for instance the so-called Indian remedies. Although they might be laughed at by a good number of learned pharmacists, they nevertheless have proven curative values. But of course what is involved here today is not the art of medication but the marketing and quality control of drugs offered for sale to the public.

Is quality ensured today? That is the question raised by many people. When people today go to a drugstore or licensed retail outlet, do they really get the drugs they need? Wn my opinion, the reply is much more serious, because even in some drugstores, people often try out new remedies: "Try this pill, if it does not work, you can try another one." This pill often has the opposite effect to that hoped for. The old act is critized, but I believe that today the department must seriously examine these pill pushers and especially formulas, because certain products have been found in drugstores which have now been discontinued and which were sold to cure liver troubles and were ineffective. But these products are still being sold, Mr. Chairman. Things should not remain as they are; the

department must continue its work to clean up and steer the country in the right direction.

As for distribution, as I said a while ago, today there is an increasing tendency . . . I remember when I started in business I had a grocery store. I no longer have it since I transformed it. We sold several patent medicines. They were much less expensive than in drugstores. As soon as they were transferred to drugstores, about 50 per cent of the drugs that we were allowed to sell were taken away from us, and their price doubled immediately. This was not a victory for the population. I agree that all drugs, especially prescription drugs, must be sold in drugstores. All the drugs which must be rigidly controlled and sold by a specialist must be sold in drugstores. However, we should continue to sell patent medicines in stores, in groceries, to help the population, the ordinary worker, who has a low income.

Mr. Chairman, the policy announced by the minister is a good one since he talked about the possibility of retailers continuing to sell patent medicines provided that they are well labelled, that their ingredients are listed and that the poopulation stops being deceived as it has been in the past and still is today. I hope this bill will open the door to the department so that the health of the population can be protected through the Food and Drugs Act.

[*English*]

Mr. Yewchuk: Mr. Chairman, perhaps I could call it one o'clock.

The Chairman: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

Mr. Yewchuk: Mr. Chairman, this is a very small bill; therefore, it is going through the House without too much discussion. But even though it is a small bill it may have very wide-ranging effects on certain aspects of our society. It suggests the repeal of the Proprietary or Patent Medicine Act and some changes in the Trade Marks Act in order to clear the way for institution of regulations to govern patent medicines. At the present time, patent medicines are kept secret from the public in so far as their ingredients are concerned. The only ones who know the ingredients are the Minister of National Health and Welfare or his disciples, and the manufacturer.

With regard to the secrecy aspect being outdated and indeed dangerous, we agree with the principle of this bill, namely, that this secrecy aspect of patent medicines should be removed. However, we wonder why the minister chose to be so secretive about the regulations which are going to be brought in to replace those acts which are being repealed and changed. We disagree with this kind of government secrecy; it makes it almost impossible properly and thoroughly to debate the pros and cons of the long-term outcome of this legislation.

[Mr. Gauthier (Roberval).]

I would like to know why the minister seems to be carrying on the tradition established by this administration of this passion for secrecy, especially when there does not appear to be anything to hide. There is no reason why these regulations should not have been given to us. I made several attempts, by telephoning the minister's office in the past month or so, to obtain a copy of the regulations. Without providing any reason, each time I was refused. We are not the only ones concerned: the industry involved in the production of patent medicines is concerned. The minister said—I think I quote him correctly—that the secrecy aspect has no place in today's modern society. However, in presenting this bill he is selling the House another patent medicine under the old rules. We still do not know the constituents of it, since the new rules are still secret. Only the minister and maybe some disciples in his department know, but we do not know what they are. That is a rather strange approach to take. There is no obvious reason for it, yet it is being done.

The stated purpose of the bill as it appeared in *Debates of the Senate* and the minister's speech reminds me of the television advertising of a patent medicine where certain claims are made, but there is no way we can verify whether the medicine will do what is claimed for it because we do not know the ingredients. In this case we have a bill presented as a patent medicine. We do not know what it will achieve in the long run, other than being told that in the future some regulations will be brought in, making a few corrections for improvement. The minister should rise in the House, if he returns to the chamber, or his parliamentary secretary should—who is also capable of doing it—and explain why the regulations have not been presented.

Some hon. Members: Hear, hear!

Mr. Yewchuk: I thought I would be nice to her, since this is the first time she is piloting a bill through the House. Perhaps she can give a sensible explanation as to why we were not provided with the regulations in advance. As I mentioned before, the intent of the bill sounds all right. For example, it will be a great help, not just to people in treating themselves and knowing what they are getting but to the medical profession in dealing with patients who have used patent medicines. There may be some side-effects from a patent medicine for which a patient presents himself to his doctor. However, the doctor does not know what was in the patent medicine and it may be difficult for him to interpret why the side effects occurred or what is the best treatment. The same applies to allergic reactions. If you do not know the cause of allergy, it is more difficult to treat it in a reasonable way. Therefore, it is important that the ingredients of patent medicines be known.

It is also important for the public to be able to scientifically verify claims that are made for patent medicines. This leads me into the subject of advertising. We have a situation where manufacturers or distributors of patent medicines can make virtually any claim they please. The public has no way of verifying whether the claim is scientifically true. The only way the public can judge is by taking the medicine and subjectively trying to determine whether they are getting better. That is an extremely unscientific way of assessing the usefulness of a medica-

tion. There are all sorts of examples of what I would say is misleading or dishonest advertising of some of these preparations. One of the most obvious examples is various preparations of aspirin, or acetylsalicylic acid. It may be presented in the same quantity, in the same constitution, with a different name as a new treatment for arthritis or even an old treatment for arthritis. Take the situation where a patient will treat himself without medical advice. He will go to the drugstore or to a distributor and ask for something for his arthritis. He may be given two or three different items, all of which claim to be for arthritis but which in fact are the same chemically. In other words, he may get four times as large a dose of the same medicine that any one of the tablets themselves would provide. In other words, I think it is a step in the right direction to state what the actual medications are.

● (1410)

Television advertising of some of these patent medicines might also be worth mentioning. I am irritated sometimes when watching them. For example, you see a picture of a beautiful girl with a headache swallowing a pill, and within seconds a smile comes over her face and she feels just great. I do not think we can describe this kind of advertising in any way other than to say it is extremely deceptive. There is absolutely no physical way in which a headache tablet can relieve pain in a matter of seconds, as the advertisement portrays.

In the regulations to be published, I think we should consider the possibility of a regulation dealing with advertising of this kind. I appreciate you cannot sit and wait for 45 minutes to elapse before the girl in the ad feels better, but some indication should be given in the advertisement that for reasons of time and cost the whole thing is condensed into 60 seconds. Otherwise, I think a false impression is created. We all know that any medication taken by mouth does not reach its maximum effect until the passage of at least 45 minutes or an hour, and possibly even longer. That is why I think this kind of advertising should be corrected.

The most important thing to remember is that further information must be made available regarding the effectiveness of these various medications. There must be made available to anyone who requests it scientific information confirming any claims that may be made for the effectiveness of any drug. Information should also be given as to any side-effects or possible harm that may result. As a matter of fact, this information should be on the label so that people do not unknowingly use a preparation that may have harmful side-effects for them. This is particularly the case with people who may be allergic to certain constituents and who may have other adverse reactions to that medication.

Another situation where patent medicine advertising is rather misleading concerns the various potions, ointments and rubs on the market. An athlete may have a sore shoulder from pitching a baseball too vigorously, so he rubs some lotion on his shoulder. Immediately the pain goes away; or that is the impression created by television ads. We all know this is absolute nonsense. I, for one, have not been able to find any scientific evidence to substantiate beyond a shadow of doubt that the various compounds that are rubbed into the skin to relieve pain from arthritis, rheumatism or whatever have the slightest pain relieving effect, speaking from the pharmacological point of view.

Where such claims are made, the manufacturer should explain to the satisfaction of the scientific community the mechanism of action involved in producing the claimed effect, and this must be proven by clinical studies, rather than the evidence of someone who may have improved for one of two reasons, either because there was a psychological feeling that there was improvement because some treatment had been administered, or because there was improvement as a result of the effects of nature itself. For example, a painful muscle caused by the excessive exertion of that muscle will get better by itself within three or four days. Some patent medicines may say on the label that if they are rubbed in, within three or four days any pain will be cured. This sort of thing occurs with advertisements for rubs, lotions, and so on. We should inform the public, when this sort of thing happens, that they are victims of a snow job. The public should be informed on the label on the bottle that the medicine contained therein will or may improve the pain condition within three or four days, but that the pain will also go away by itself within the same period of time. Certainly that would be more honest and accurate as far as the public is concerned.

While I agree that the public is entitled to self-medication if that is what it wants—and I am not objecting to that—at the same time there must be accurate and honest information given about these products for self-medication. This is not the case now, and the minister gave us no assurance in his speech that it will be the case after the bill is passed and new regulations are brought in. We have been given no assurance that the public will not continue to be exposed to what in some cases amounts to a sham. I suggest we look seriously at this matter and take steps to correct the situation.

Perhaps I appear to be dwelling a little too much on drug advertising, but there is another aspect that I think is related here. We all know that prescription drugs are not advertised on the public media; such advertising is restricted to patent medicines. It seems to me that in due course these advertisements will have some kind of influence on the psychological attitudes of our young people, people of middle age and, indeed, the elderly, in regard to the value of nature itself in remedying minor ailments compared with the value of some pill or potion. It seems to me that the kind of virtually uncontrolled advertising that we see today is creating the attitude on the part of the public that there must be a pill or a potion for everything.

This sort of thing is destroying the idea that people used to have, that nature will take care of most of the minor ailments, that we do not need a pill or a crutch to lean on every time we have a little headache or a sore muscle from too much exertion, or every time we become a little worried about something. The net effect of advertising patent medicines year after year and decade after decade is to create a drug dependent society, a feeling in society that a drug must be administered immediately if there is some minor thing wrong with us that we do not like. This does a disservice to society and in the long run is harmful. I suggest we must consider the long-term effects of this sort of thing on our children and on society as a whole.

One other aspect, that I have already touched on, is this new attitude on the part of consumers in general. They are no longer satisfied, generally speaking, because of their greater awareness today of what is going on around them, to be given information that is not provable. They are no longer satisfied to be provided with a product with a claim attached to it which is not provable. So far as this aspect is concerned, the bill is useful.

I should like to conclude on this note. The minister indicated that a certificate of registration was to be given the manufacturers of certain patent medicines so that in some way the Food and Drug Directorate can monitor the effectiveness of their preparations in order to see whether they achieve what they claim to achieve. He did not provide any information whatsoever as to whether the Food and Drug Directorate would be involved in testing the effectiveness of these medicines before they are marketed, while they are being marketed or after marketing. He did say there will be some monitoring. I should like to know what testing procedure the department will follow to make sure the public is adequately protected, not only from adverse reactions which may occur but also from false claims that may be made.

● (1420)

It seems to me we should be provided with this kind of information in order that we can be reassured, particularly in view of the fact we do not have the regulations: we should have some assurance that the department will be carrying out thorough testing of these various medicines to ensure that the public is not abused.

Miss Campbell: Mr. Chairman, perhaps at this time I might answer some of the questions raised by hon. members this morning. The hon. member for Lambton-Kent and the hon. member for Athabasca made reference to the secrecy of regulations. As hon. members will appreciate, it would be somewhat strange if the regulations were published before the bill was passed. It would be almost contempt of parliament to have the regulations before there was an act. I am sure that hon. members will have the opportunity to examine these regulations in detail at a future time in the committee studying the estimates.

The hon. member for Lambton-Kent also asked who would be responsible for making these regulations. Regulations are made by the governor in council, and I can assure the hon. member that they will go through all the usual and proper channels before that point. The hon. member also asked whether there had been any discussions with the provinces in this regard. Last February, during the federal-provincial health ministers' conference, the question of the intention to repeal the Proprietary or Patent Medicine Act was discussed. There have been discussions with the provincial registrars in respect of the new regulations, and I think the minister clarified this in his opening statement to the House. The government's intention is to create a new division under the Food and Drugs Act regulations dealing specifically and only with proprietary medicines, but the general regulations under that act will also continue to apply to that new division. There will also be a schedule that will include a list of chemicals or drug entities not allowed in proprietary medicines.

[Mr. Yewchuk.]

The hon. member for Athabasca asked who would be conducting the monitoring. I can tell thim that this will be done by the health protection branch. The regulations will also provide for an initial review by the health protection branch of the department and an additional review of the products' safety and efficacy should the need arise within the current term of the registration. There will also be a review of the data submitted for a product should the manufacturer change the formula of the medicine, as well as a schedule of drugs not permitted in proprietary medicines. I think that gives hon. members a clear picture of what will be provided for under the regulations.

Hon. members also asked questions in respect of advertising. It has been brought to the attention of the House that this matter was again raised for discussion at the last federal-provincial meeting of the health ministers concerned. There was general reference to advertising in respect of drugs. I should point out that the health protection branch already reviews all Canadian TV advertisements regarding proprietary medicine. Any new claim in respect of a proprietary medicine would not be allowed unless the manufacturer submitted data to the department to substantiate that claim. The medicine would then be considered a new drug and would consequently be subject to the new regulations.

The hon. member for Lambton-Kent also referred to the drug identification number. Under the new regulations, these medicines will be required to have an identification number. Perhaps this will be a different type of number, but it will allow the pharmacists and physicians to identify a proprietary medicine with that number. One must remember that the whole purpose of repealing this act is to allow full disclosure to the public. In other words, they will have knowledge in respect of over the counter drugs; people will be able to recognize the components of the proprietary medicines they are taking and will be able to know if they have had previous allergy reactions in the past. They will know exactly what are the contents.

There was also reference this morning by the hon. member for Lambton-Kent to the quality assurance program. During the first three years of this program, of the drugs examined the failure rate was reduced from 7 per cent, initially, to 4.9 per cent in the following year, and to 3 per cent last year.

Mr. Baker (Grenville-Carleton): Mr. Chairman, I should like to thank the parliamentary secretary for her complete answer in respect of some of the questions raised. We will be examining them in great detail to check their accuracy, but I am satisfied that she has done everything she can in this regard. I should like to compliment her. I understand this is her first opportunity to pilot a bill through committee of the whole. Let me say, on behalf of my colleagues, on this Friday afternoon that she has done a commendable job.

Let me now make a suggestion about something she said regarding the practice of this House. The hon. lady said she felt it would be almost contempt of parliament if the regulations were produced before the bill had received the sanction of parliament—and in that sense I refer to both Houses. I cannot believe that some consideration has not been given to the regulations that will be promulgated under this statute. While I understand why the regula-

tions are not here at this stage, it would be very helpful to parliament if the regulations which are so vital to the operation of the bill were produced at the same time as the bill, so that members of parliament, and not just opposition members, could study them. This is particularly so when we are dealing with a bill of this nature which is really dependent upon the regulations for its operation.

The parliamentary secretary suggested that at a future time these regulations will be available to members of the House or the members of the standing committee which will deal with the bill. However, they will only be available some considerable time after the bill has become law and perhaps after the regulations have come into effect.

● (1430)

It may well be that members of the committee from all sides of the House interested in this matter would find the legislative process to be assisted if they were given an opportunity to examine the regulations. This is just one bill among many which fall into that category. If members of parliament are to attempt to make a really useful contribution to the understanding by the public of important pieces of legislation, then I would ask the parliamentary secretary to convey that message to the government House leader so that he might consider the matter.

I realize the difficulty which exists in respect of committee of the whole, but not all legislation goes to committee of the whole. It is sort of a legislative accident in this case that the legislation is being considered in committee of the whole. There are bills which on second reading are referred to the standing committees, and at those standing committees it might be very helpful to the legislative process if the regulations were there. While the regulations might not be in final form and could be in draft form, the bill has been on the order paper and has been involved in the parliamentary process for some time. It was introduced first in the Senate, as I read the number. There has been considerable opportunity, in terms of time, for the consideration of these regulations.

I wish to emphasize to the parliamentary secretary that this is not intended as a criticism of the hon. lady or of the government, but I am putting forward the possibility that this might be a way in which the parliamentary procedure could be assisted at a particular time when the government seems to be indicating great interest in changes to the parliamentary procedure.

Miss Campbell: Mr. Chairman, the reason I made the statement I did is that if the regulations were promulgated it would be anticipating a decision of the House prior to its being made. I went on that assumption. However, I would point out that a portion of the regulations which would also apply to proprietary medicines are already in existence under the Food and Drugs Act and regulations.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I have been through the experience so often of trying to get regulations before they are published that I know how difficult that matter is, and therefore I do not intend to drag it out at this point. However, it seems to me there is one point the parliamentary secretary is missing which I think my friend the hon. member for Grenville-Carleton also missed. They both spoke about regulations being passed under this statute. Bill S-9 does not give anyone authority to pass anything. When Bill S-9 is passed, the Proprietary or Patent Medicine Act will be gone. I suggest that the authority for regulations is contained in the Food and Drugs Act and that authority already exists. If the government wished to level with us and show us the new regulations, it could do so without any contempt of parliament at all.

Mr. Yewchuk: Mr. Chairman, I should like to ask the hon. lady whether the regulations in total are now ready, or whether there is still a good deal of work to be done in finalizing them.

Miss Campbell: Mr. Chairman, I am told they are still in the process of preparation.

Mr. Yewchuk: Mr. Chairman, during my earlier remarks I asked a question concerning the testing procedures used by the new division set up in the Food and Drug Directorate. The hon. lady said that if any new claims are made, they will have to be substantiated by the manufacturer. However, I am of the impression that some information is not necessarily accurate.

I should like to know specifically what testing procedures will be used by the Food and Drug Directorate, because it seems to me that simple reliance on the manufacturer to provide information about the efficacy of a new drug is an unreliable way to obtain information. It is possible, for example, for the manufacturer of a new drug to conduct 100 different tests, and 95 of those 100 tests might show an undesirable result and five of them the desired result. The manufacturer may choose to provide information by saying that it tested five cases which showed the desirable result, perhaps neglecting to mention the others which showed an undesirable result. I think this happens not only in respect of patent medicines but also in respect of prescription medicines. I want reassurance from the parliamentary secretary that action is being taken to correct this type of situation.

Miss Campbell: The minister in his speech already referred to the nature of the regulations respecting this point that will be promulgated out in the future.

Mr. Yewchuk: Tell me what the testing procedure is.

Miss Campbell: I do not think we have at any time said we would test proprietary medicines for safety and efficacy. Rather, we require that the manufacturer, when registering a proprietary medicine with the health protection branch, submit a protocol for testing, and conform with it before he is allowed to put that patent medicine on the market. I would think the manufacturing industry should accept the onus for satisfying the requirements of the health protection branch concerning the safety and efficacy of their products.

Mr. Yewchuk: I must say, Mr. Chairman, I am disappointed with that answer. Do I take it to mean that the Food and Drug Directorate simply says that it is not interested in verifying a claim made by a manufacturer, and that in fact it refuses to do the testing and must rely on the information provided by a manufacturer who is in business primarily for profit? I have outlined a possible

example. I am not suggesting that it happens in all cases in which information is provided the government on the efficacy of a drug, but if there is no testing procedure carried on by the directorate, there is a great likelihood that information provided to the government on the understanding that the government will not do any testing on its own, could very well contain some misinformation.

Miss Campbell: In answer to the hon. member for Athabasca, the department does review very carefully the research material with a view to verifying claims made by the manufacturer. I have already stated that the health protection branch will set out the criteria which must be followed by the manufacturer before it can place a product on the market. The criteria set out by the health protection branch must be followed. If there is any doubt concerning safety and efficacy of the product, the department would immediately require additional information if the product is to continue to be marketed. I think the hon. member is playing with words, because no manufacturer would want someone else to do the testing of his product. Surely the manufacturer must be required to bring additional information to the department and have it approved.

● (1440)

Mr. Yewchuk: Mr. Chairman, I did not want the parliamentary secretary to misunderstand my comments. I did not say the department should do the primary testing. Of course the manufacturer must do his own testing. However, I think the Food and Drug Directorate must take steps to ensure that the results from this testing are indeed accurate. There must be some way of verifying the efficacy of these products. However, I will leave this matter for the time being because I do not think any further answers will be forthcoming.

I would like to ask one more question dealing with advertising. The parliamentary secretary indicated that this matter had been discussed at the federal-provincial conference but she neglected to say, or I did not hear her, what the conclusion of these discussions may have been and what corrective action was taken regarding the inordinate amount of drug advertising in this country.

Miss Campbell: I will deal with the hon. member's last point first and then return to the first point he made. A study is presently being made of advertising and its effect on sales, and it is anticipated that this study will continue for some time.

Mr. Yewchuk: In conclusion, Mr. Chairman, I should like to ask whether any study is being carried out to determine the effect of drug advertising via the mass media on the attitude of Canadians toward the need for self-medication or on the use of drugs in general. For example, in the past decade or so we have witnessed in this country a fairly large increase in the non-medical use of drugs of various types. It seems to me that it would be useful to know whether the massive drug advertising to which we have been exposed has in any way contributed to the non-medical use of drugs, on the basis that a phychological attitude is created in people when they are constantly exposed to advertising which tells them there is a drug for every ill. This might induce people to use drugs which do them no good.

[Mr. Yewchuk.]

Miss Campbell: I would like to expand on the previous answer I gave to the hon. member. The study to which I referred examines the role of advertising and other factors in relation to the use of proprietary or patent medicines only.

Mr. Yewchuk: What about other drugs such as marijuana, and so on?

Miss Campbell: I think that is probably another area of discussion. I would like to clarify the answer that was given earlier by saying that the onus will be on the manufacturer to provide a safe and effective product. The required data must be generated by the manufacturer which would then be studied by the department and conditions attached to the product to the extent necessary before it could be put on the market.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like to ask the parliamentary secretary whether this study into the effects of advertising on the sale of proprietary drugs is a limited study, or whether it includes other products which are sold over drugstore counters, such as hair preparations to make you the loveliest person in town, body deodorants, oral preparations to give you the freshest mouth in town or pellets which will guarantee that he will kiss you again, and such other products as bathroom tissue which will give your prestige in our modern society. Are such products included in this study?

Miss Campbell: In answer to the hon. member's question, the study applies to over the counter drugs and proprietary medicines. It is certainly up to the individual to decide on hair sprays and similar products.

Mr. Yewchuk: I wonder whether the parliamentary secretary would care to indicate when it is expected the study will be completed, and whether a report will be made to parliament on it?

Miss Campbell: The minister has already made public the first phase of the study, and it should be well over a year before the follow-up phase of the study has been completed.

Mr. Yewchuk: Will it be tabled?

Miss Campbell: Eventually.

Clause agreed to.

Clause 2 agreed to.

On clause 3.

Mr. Knowles (Winnipeg North Centre): Am I correct in assuming that the reason the act will not come into force for over a year is to give the provinces time to make the necessary adjustments?

Miss Campbell: The hon. member is correct. The reason is also to allow manufacturers the necessary time to adjust to the changes.

Mr. Nielsen: And the territories.

Clause agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Penner): I must apologize to the Minister of Fisheries (Mr. LeBlanc). I indicated to him previously that he could make a motion from another place in the House. That is so in committee of the whole. However, with Mr. Speaker in the chair, he must be in his assigned place.

● (1450)

When shall the said bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Hon. Roméo LeBlanc (for the Minister of National Health and Welfare) moved that the bill be read the third time and do pass.

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

* * *

TERRITORIAL LANDS ACT

CORPORATIONS IN WHICH GOVERNMENT EMPLOYEES PROHIBITED FROM ACQUIRING INTEREST

Hon. C. M. Drury (for the Minister of Indian Affairs and Northern Development) moved that Bill S-20, to amend the Territorial Lands Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

The Acting Speaker (Mr. Penner): Is it the pleasure of the House to adopt the said motion?

Mr. Nielsen: Surely we will have an explanation by the parliamentary secretary, Mr. Speaker?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, my colleague the parliamentary secretary to the Minister of National Health and Welfare (Miss Campbell) has amply shown that example is the best form of demonstrating a point, and I am pleased to follow the hon. member in presenting a bill for the first time on behalf of the Minister of Indian Affairs and Northern Development (Mr. Buchanan).

I should like to explain briefly the purpose of Bill S-20, to amend the Territorial Lands Act. I should state at the outset that this amendment relates exclusively to one particular section of the act and does not alter the original purpose and intent of the legislation. It is intended to remove an unreasonably stringent requirement and the attendant excessive and arbitrary penalty which may be imposed on an employee of the Crown for non-compliance.

I refer to section 24 of the act which prohibits employees of the Government of Canada from holding any interest whatsoever, either direct or indirect, in territorial land except under the authority of an order of the governor in council. This restriction was present in the Dominion Lands Act, the predecessor of the current act, where it was intended to assure the integrity of transactions between employees of the then department of the interior and private industry. In 1923, the prohibition which covered mining rights as well as land interest was extended to apply to officials of all departments of the Government of Canada.

On repeal of the Dominion Lands Act and the coming into force of the Territorial Lands Act in 1950, the seriousness with which the government viewed its employees maintaining the confidentiality of information entrusted to them on mineral potential in northern Canada was expressed in section 24 which is under review. This section went further than the original in that it extended the original injunction to prohibit shareholding or any other pecuniary interest in any company or corporation which might have an interest in territorial lands.

Over the years, it has been the practice for Crown employees to request approval by order in council to acquire or lease territorial land for personal use as a cottage site. This form of direct interest in territorial lands can be readily controlled and regulated within the machinery established to administer the lands in question. Over the 24-year period between 1950 and 1973, inclusive, 632 such orders in council were made. On the other hand, there has not been a single instance of an employee requesting a similar order in council to purchase shares in a company or corporation having any manner of land interest in northern Canada. Short of voluntary or accidental disclosure of any such interest by the employee concerned, there is no practicable way of monitoring whether a Crown employee is in contravention of a shareholding restriction.

This leads to a further consideration which turns on the ability of a person who invests in a company to maintain the overview on its operations necessary to satisfy himself that that company has no interest, either direct or indirect, in territorial lands. Recent extensive exploration activity in the north has seen many multinational companies, insurance companies, mutual investment funds and other financial institutions directly or indirectly having acquired permits and leases on territorial lands. Rights and interests in these lands are often assigned and transferred between holding and operating companies without public knowledge or notice to shareholders. Moreover, only a very small minority of Crown employees are in a position to have access to privileged information from which they might benefit by investing in companies operating in the north. It is patently unfair to deny the majority from investment opportunities which would be made on the same basis of financial risk accepted by any member of the public.

With the promulgation of the conflict of interest guidelines, employees having any interests which could place them in a potential situation of conflict of interest are expected to make the appropriate disclosures. This eliminates the necessity for individual orders in council relating to shareholders—a requirement never practised and, in fact, administratively very difficult, if not impossible, to enforce—while at the same time ensuring the integrity of transactions between Crown employees and the corporate sector. These guidelines could be made to have the effect also of limiting the indiscriminate generality of coverage of the current section 24 of the Territorial Lands Act to the pertinent group of Crown employees who might stand to benefit from privileged information available to them by virtue of their position in government service.

The amendment before us is intended to accomplish this purpose. It will see retained the requirement to have individual acquisitions of land sanctioned by orders in council. It will make more realistic the application of prohibitions on Crown employees in respect of any interests in territorial lands. Finally, but perhaps most important, it will remove from employees the threat of summary dismissal for an innocent contravention of an excessively restrictive and impractical requirement.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I cannot quite bring myself to refer to the parliamentary secretary as the hon. woman, so I shall have to continue my practice of referring to such persons as "the hon. lady."

Mrs. Campagnolo: How about the hon. member?

Mr. Nielsen: The explanation given by the hon. lady horrifies me in my belief that the minister is unaware of the precise nature of what is being attempted here. It is my understanding that the minister holds the belief that the restrictions prohibiting government employees from acquiring such interests as share interests in companies holding lands, or an interest in lands in the north, should be eased. This is not the case at all. The change is accomplishing the easing of any penalties associated with employees who contravene the prohibition set forth in the act, and that is all it does. It seems to me that it is an unduly harsh restriction which is placed on government employees.

I can understand, for instance, a mining recorder being prohibited from acquiring an interest in mineral claims which are contiguous to an area under active exploration. I can understand a mining recorder being prohibited from acquiring shares in a company which is active in the exploration field and which has produced results which are privy to that government employee and not to the general public. These conflicts are readily understandable, but for the life of me I cannot understand why we must impose a prohibition on a government worker in the department of travel and publicity to prevent him from acquiring shares in a mining corporation. Someone in travel and publicity is not likely to know any more about that than a member of the general public. The broadening of the sections by the bill before us now enlarges the prohibition to prevent any such employee from acquiring any interest in his own name, or through any other person, in any corporation that purchases, or acquires, or holds such lands. It seems to me this places the government employee in the position of a second class citizen and the section should not be extended so broadly.

● (1500)

In her comments on the bill the parliamentary secretary to the minister assured us that the bill does not alter the original intent or purpose of the legislation as it now stands in the Territorial Lands Act. I suggest to her that this simply is not true. It does alter the intent and the purpose of the section because there is no prohibition in the section as it now stands which would prevent a government employee from acquiring an interest, by way of shares, in a corporation that purchases, acquires, or holds lands or any interest therein. It does indeed alter the intent of the section to that extent.

[Mrs. Campagnolo.]

The hon. parliamentary secretary touched on what is a sore point in the Yukon, and I am sure in the Northwest Territories as well, when she said that the acquisition of land by government employees is readily controlled by the administrative structures in place now. I am sure she is completely unaware of the impossibility—I was going to say "next to impossibility" but I think I can use the term absolute impossibility—of the ordinary citizen acquiring lands in the north at all. For years it has been difficult to do so.

A few years back when I wanted to buy a piece of land I had to have a reference from this House before the Standing Committee on Privileges and Elections because of some over-bearing bureaucratic decision that by buying a piece of land from the federal Crown I was somehow interested in a contract with the Crown. That was very quickly cleared away, but that is the kind of approach that the bureaucrats have in the administration of Crown lands in the north which come under the jurisdiction of this act. They feel that they own the land and that in no way is the ordinary citizen going to get a look in, so to speak.

It is simply impossible for a person to acquire any lands in the Yukon and I can cite example after example after example. A press release recently issued by the minister said that all applications for agricultural lands are now cancelled and there will be no more disposition of agricultural lands in either of the two northern territories for two to three years. That is a great agricultural policy, Mr. Speaker.

The bureaucratic mind, 4,000 miles from the site, concluded that there is no possibility of a viable agricultural industry in the north and that therefore no lands will be allotted for that purpose. Recent press reports in Yellowknife told of a family who had gone to live in the Northwest Territories from Quebec and were running cattle on slightly over 40 acres of land. Then the minister's press release was issued, the lease was cancelled and the family has to get off the land—right now. I am sure my colleague from the Northwest Territories will know the case I refer to, and there are even sharper injustices that I could cite all afternoon.

People who have been in possession of agricultural leases in the Yukon for well over a quarter of a century have found that the leases have been cancelled and there is no opportunity to have a new application considered. I know of one person, born and raised in the Yukon, whose grandfather was a member of the Northwest Mounted Police there. This man had an application for agricultural acreage approved by the branch, approved by the commissioner on behalf of the minister, and now has been told that he must get off the land, and further, that if he does not move his ten head of registered Appaloosa horses off the land they will be confiscated because they are trespassing. He was told that he should go back to Alberta where he came from and homestead there. That is the attitude of this most far seeing, thoughtful and innovative government in its agricultural land policy in the Yukon Territory.

Mr. Baker (Grenville-Carleton): That is the just society.

Mr. Nielsen: I believe the hon. parliamentary secretary when she says that ordinary administrative structures control the acquisition of land by government employees in the north. You had better believe it. And they apply not only to government employees but to any other citizen in the north who wants to pursue agriculture as a way of life.

I can understand a certain amount of hesitation on the part of government structures which have been erected to protect all of us with respect to the disposition of our resources in the light of possible speculation. But where you have an individual who wants to invest several thousands of dollars in the bona fide acquisition of a piece of land, he should be allowed to purchase the land and develop it without direction from the government.

A few moments ago I referred to a constituent who was having difficulty in obtaining land for agricultural development. He went to the trouble of sending soil samples to Beaver Lodge, the federal government experimental farm in the Yukon, in order to have them analysed to prove that something could be grown. He received a favourable report and took it to the federal government officer in Whitehorse who is in charge of lands. It was placed on file there but he was told, "I am sorry, we do not accept soil analyses from our experimental farm. We go to the province of Alberta for them."

So he sent a sample out to the federal department of agriculture office in Alberta, and took that result in to the office in Whitehorse. He had been told that without soil samples he would have no hope of getting the land. He now had two favourable reports but was told, "I am sorry, you cannot get the land until you get your stock." Then he spent some $10,000—farmers know more about these things—on what I am told was registered, pure bred Andalusian stock.

● (1510)

He went back to the authorities and said, "I have my soil samples and I have my stock. It cost me $10,000—true, I had to sell my home to get it, but here it is. May I now have the land?" What do you suppose the reply was? He was told, "Well, we would love to give you land but, we are sorry, the minister last February announced that all applications for agricutural pursuits in the Yukon have been cancelled. We are sorry that you incurred these expenses in the past, but you will not be able to get the land."

That is just one small example of circumstances in the Yukon which have given rise to complaints like the one raised by my constituent. People up there are saying there will be violence in the Yukon before lands are handed back to the government. They have said, through organizations set up to convince others that agriculture is possible in the Yukon, that they will burn their barns and buildings before giving their land back to the government. I hope that, when they consider this legislation, departmental officials will take my remarks into consideration.

The parliamentary secretary made much of the fact that all sorts of multinational companies now are getting lands in the Yukon and the Northwest Territories. That may be so, but the ordinary Canadian, the northerner who lives there, is not accorded the same kinds of favours which the government appears to be giving to multinational corporations acquiring lands in the north.

Let me comment on the parliamentary secretary's statement to the effect that employees are expected to make appropriate disclosure. I have some information for her. I wonder if she knows that government employees in the north have been told they must make full disclosure of land holdings and interests in lands which they hold, and of all other assets and holdings, on pain of dismissal if they refuse. That general directive has been given to federal government employees in the Yukon, and I have no reason to suspect that it does not apply to government employees in the Northwest Territories. They must list all assets; if they do not, they are told they are dismissed.

That was the sort of attitude adopted by Commissioner Hodgson, presumably with the acquiescence, if not with the instruction, of the Minister of Indian Affairs and Northern Development (Mr. Buchanan). The commissioner told employees in the service of the territorial government of the Northwest Territories that, when Mr. Justice Berger was holding commission hearings in Inuvik, they were not to talk, not to give evidence before the commission. That shows the government's attitude and how it treats its employees. It is no doggone wonder we face labour problems in the civil service of the country.

Mr. Dinsdale: The minister instructs the commissioner.

Mr. Nielsen: Everything the commissioner does is either with the acquiescence of the minister or by his direct instruction. How high handed can the government be? Imagine telling a government employee that his ordinary freedom of speech is abridged by virtue of his employment!

I say this bill goes too far. It puts the government employee in the position of a second-class Canadian citizen. Certainly safeguards are required to prevent government employees, who acquire information by virtue of their employment, from making an unjust and dishonest profit. But the bill in its present form constitutes an umbrella-type of prohibition. No government employee can acquire any interest whatsoever in any corporation or venture in the north if, in acquiring that interest, he will acquire lands or an interest in lands. This, to my way of thinking, is too broad a prohibition and ought to be ameliorated. I am willing to see the bill referred to committee after second reading, in the hope that the government will bring forward appropriate amendments.

While I am speaking of amendments which I anticipate the government might introduce, may I ask for the relevant section to be simplified. The language at present is much too complex. I ask for another section couched in simpler language to be introduced, a section containing merely the elements which it is desirable to prohibit, and no more. It ought to say merely that a government employee should not be permitted to acquire an interest in lands when, because he has come into possession or may come into possession of knowledge by virtue of his employment, the information so obtained may enable him to make an undue or dishonest profit.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, listening a while ago to the parliamentary secretary while glancing through the bill, I was convinced that it exclusively concerned government employees and officials in the Northwest Territories. I thought that if the bill merely concerned public servants and officials in the Northwest Territories, it had a very limited scope. The bill merely provides that the employees cannot become shareholders of a company dealing for example with read estate and mines to purchase such real estate.

For my part, Mr. Speaker, I was thinking about Quebec. I will say a word in a while about the comments of the hon. member for Yukon (Mr. Nielsen). If the bill is not altered as far as public servants are concerned—and when I refer to civil servants I do not include owners and residents—I think that it should also prevent them from belonging to a company trading in the Northwest Territories.

● (1520)

Hon. members probably heard of the current investigation in northern Quebec, the investigation by the Quebec government. I suggest this will not get very far, because it is a question of defrauders investigating other defrauders in the same party. All this is caused by conflicts of interest at the public service level. Some public servants get rich at the expense of the provincial or federal governments. And everything is so well schemed that they have their spokesmen here in Ottawa, in Quebec, in our area. There is no way this could be undone. Everything is schemed, as the saying goes. Money goes into pockets all year long. People believe moneys voted go to Indians, Eskimos, Inuits. But the main part is pocketed by public servants.

An hon. Member: What!

Mr. Gauthier (Roberval): Somebody said: What! Why should he show surprise? He knows full well.

This is why I say that the first part of the bill does not go far enough. It should include provisions for public servants who hold equity shares in marketing companies, snowscooter companies, arms companies. They triple their salaries with what they get from their involvement with those companies.

The bill is restricted to Yukon public servants. The hon. member for Yukon (Mr. Nielsen), who spoke this afternoon, advised us of a good many things. I did not know people in Yukon could not own their own tract of land. This is fantastic. It is just as amazing as what happened in our area during land reform, where a third of farmlands were eliminated by people who did not even know what farmland is, people who said those lands were not good farmland. Second generation farms were said to be uncultivable.

I feel the problem in Yukon is much more serious than commonly believed and this is why I say the hon. member for Yukon is right when he talks about Yukon owners, people living in the Yukon, because, here, I would like to make a distinction among public servants: In the Yukon, some public servants come from the area and some do not. It is obvious that those who do not should not be entitled to buy shares in these companies or to take part in transactions. But it is another matter when we are talking about a Yukon resident, Mr. Speaker. I believe that those who live in the Yukon should be entitled to ownership just like people in other parts of Canada.

I am not saying that they should take control of the mines, for instance, and be the main shareholders, but I believe that they should have certain rights. And I believe that the act is too restrictive because it considers on an equal basis all the civil servants who live in the Yukon, those who live here in Ottawa, and then went to the Yukon or to another province in the name of the government to earn their living. Mr. Speaker, I am simply saying that this bill will be referred to the standing committee of this House, but that it is essential to amend it. It is not at all advantageous for the Yukon and does not protect the public servants, wherever they may be.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, it is already obvious from the discussion that is taking place here today that there are a lot of anomalies in land use north of the sixtieth parallel.

Remarkably enough, even though the theme of developing Canada's last frontier, and the theme of northern development seem to be espoused by all Canadians today, the government still has the viewpoint that with respect to land use it must keep a strong, monopolistic control over the policy to the ridiculous extent that was outlined by the hon. member for Yukon (Mr. Nielsen) with respect to total prohibition of agricultural development in both the Yukon and the Northwest Territories.

I remember that when I was the minister of the department, to make things a little more human and humane in interdepartmental communications, of which the flow never ceased, we used to have a caption at the top of the memorandum that went something like this, "Woe unto them who sit on their frozen assets." This seems to be the policy that is being re-endorsed by the bill before us this afternoon. It does not do anything to resolve the restricted land use problems. It certainly does not do anything to deal with the bureaucratic bungling that has been typical of land use pronouncements since Canada finally became interested in the development of its great northern heritage.

When the Department of Northern Affairs was first set up, the late Right Hon. Louis St. Laurent said that Canada had been exercising for far too long its responsibilities for development of its northern frontier in a state of absentmindedness. I am sure that is the only description that can be used in reviewing Bill S-20 that is before us this afternoon.

I wish to expand on some of the points made by the hon. member for Yukon with respect to the unbelievably bureaucratic approach to agricultural development in northern Canada. There is absolutely no policy on farming north of the sixtieth parallel. What has happened as a result of the decree that came from Caesar Augustus on January 10 last to the effect that there was to be a total suspension of the disposition of federal Crown land for agricultural use in both the Yukon and Northwest Territo-

ries? I think it has brought the foolishness of the situation into clear perspective.

Mr. Nielsen: And the cancellation of existing land leases.

Mr. Dinsdale: Yes. I will deal with that in a moment. The decree that came from the minister on January 10 was for prohibition of any further alienation. It also included the cancellation of existing leaseholds. The problem has been brought into focus by the Northwest Territories Farmers' Association. It is true that there is sufficient interest in farming in the Northwest Territories to have an association.

Mr. Nielsen: And in the Yukon.

Mr. Dinsdale: I agree with the hon. member for Yukon that this is developing on parallel lines in both the territories. As a result of the negative policy that was forthcoming, the Northwest Territories Farmers' Association gathered together to discuss the dilemma. They were particularly concerned about the Benoit family who had moved into the area near Fort Providence and were operating at the Horn River in the Northwest Territories. They had invested in their farm four years of their time and all their savings. The project had received encouragement from the government of the Northwest Territories. Indeed, it was the government of the Northwest Territories that encouraged the Benoits and other enterprising Canadian citizens like them to venture into the northern part of Canada and pioneer in establishing a viable agricultural industry.

It was a tip-off from a member of the territorial government that first brought this problem to my attention. I have been able to research the matter further in some of the colourful newspapers that are published in the Northwest Territories. I shall be dealing later with some of the interesting comments in the newspaper published at Fort Smith under the name *The Pilot*.

● (1530)

I should like to refer to another strange anomaly to be found within the Department of Indian Affairs and Northern Development. Under the decree to which I have referred, the department ordered the Benoits off the land within 90 days—this, Madam Speaker, notwithstanding the fact that they had invested considerable sums of money, that they had had the encouragement and support of the territorial government of the Northwest Territories, and that in attempting to assist this family in their worthwhile efforts to establish a herd of cattle, the government of the Northwest Territories had been supplying them with feed. Yet in the face of these concrete realities we have a decree suspending this activity, that forces them off the land, and which says they have to wait two or three years until an agricultural policy can be formulated.

Mr. Nielsen: They were told to get off.

Mr. Dinsdale: Yes, I said they were ordered off the land. No decision apparently can be made for a period of two or three years. This must be bureaucratic bungling gone mad.

Mr. Nielsen: It is not bungling; it is intentional policy.

Mr. Dinsdale: Well, whatever it is, I trust that the parliamentary secretary will convey the message to his minister, who I am sorry is not here today to hear some of these comments. He is the kind of man who, if he were aware of the implications in terms of human privation, would not have anything to do with policy enunciations of this kind. I wonder whether there was any consultation with the Department of Agriculture. When you are dealing with agricultural policy in a part of Canada one would think the Department of Agriculture would be consulted.

Mr. Nielsen: That would make things worse.

Mr. Dinsdale: I do not think it could be any worse, and I hope it would be better. I also wonder what has happened to the excellent experiment that had been going on for a period of 20 years at Fort Simpson. I read with some degree of concern that this experimental station, which I had the opportunity to view when I was minister, had been phased out, and at the time it seemed to me that this was a retrograde step. However, I was not at all aware that the situation had deteriorated to the level indicated by the problem that was outlined here today.

Let me deal with the matter in terms of the colourful writing that comes out of the Northwest Territories and Yukon by the people who are actually grappling with the real problems of human and resource development north of 60. In its issue for February 20, 1975, *The Pilot* carries this headline: "There's an awful smell of bull manure and it's not from the farmers' feet." The article goes on to report the meeting of the Northwest Territories Farmers' Association which tried to get some justice and to find a sensible solution to the problems facing the farmers in the Northwest Territories. More to the point, Madam Speaker, in the editorial column the subject is dealt with under the heading "Is democracy dead in NWT?" The editorial stated:

> The plight of the farmer in the Northwest Territories, as reported on page 1, only goes on to prove even more conclusively the need for immediate provincial status for the north.
>
> The fact that one department of government can control everything in the north from development of land to the development of non-renewable resources, almost without reference to other government departments, and most certainly without reference to the people who are most directly involved—us—is nothing less than a complete and utter waiving of our rights as Canadian citizens.

If I may interpolate, how many times have we heard that complaint as we have travelled, for example, into the north as representatives of the Indian affairs committee? Then further along in the editorial:

> Again it is a case of the civil servant sitting behind his Ottawa desk, who has probably never been further north than his television set, dictating what we can and cannot do north of the 60th parallel.
>
> The whole of Canada was built by people with a little imagination, a little money and a hellofa lot of hard work—a term which most of the Ottawa oafs think means bending paper clips into grotesque shapes. The west would still be buffalo range if there were not a few adventurous souls willing to "take a chance" on making a living outside the boundaries of civilization at that time. Today, the north is no different. It is still going to take people with a little imagination—

They mean people like the Benoits, who are being persecuted because of their initiative.

> —a little money and a hellofa lot of hard work to make a viable living in the north if they want to retain any semblance of independence.

Prairie Farm Assistance Act

At the recent "Focus North Conference" in Edmonton, the delegates sent a strongly worded telegram to Judd Buchanan, the Minister of Indian Affairs and Northern Development in support of territorial farmers.

Perhaps Mr. Buchanan would like to live up here and pay $1.17 for a dozen eggs, or $2 for a loaf of bread as is common in many northern communities. If he had to survive in the north as an independent businessman he would soon find out that there is precious little heat or food in the bureaucratic bullshit that his department continuously serves the north.

I trust that having referred this bill to the committee on Indian affairs we might be able to bring in some amendments and also get some answers regarding the negative attitude toward agricultural policy, so as at long last to make it possible for any Canadian to live in the parts of Canada north of 60 with the same opportunities, rights and privileges as Canadians who live in other parts of Canada.

Mr. Wally Firth (Northwest Territories): Madam Speaker, I will be very brief. This is an important bill to amend the Territorial Lands Act. I think it is imperative that people from the north be given the opportunity to express their views on it. It is an extremely important measure in view of the many happenings that have taken place in the north in regard to land claims of native organizations and in view of the fact that a large number of civils servants, both federal and territorial, are presently in the north. I think it is important that the bill move on to the Standing Committee on Indian Affairs and Northern Development and that that committee ensure that there be some representation from the north, particularly from the councils of both territories. That is all I have to say at this time.

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

* * *

● (1540)

PRAIRIE FARM ASSISTANCE ACT

MEASURE TO REPEAL ACT

Hon. André Ouellet (for the Minister of Agriculture) moved that Bill C-30, to repeal the Prairie Farm Assistance Act, be read the second time and referred to the Standing Committee on Agriculture.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, ordinarily the business of repealing an act that has been on the statute books of Canada for nearly 40 years would be a regular matter of housecleaning or housekeeping, but this particular act has some things which I think will cause us to ask that this bill be delayed. Let me make my reasons clear.

In all fairness I think I should say that this act was placed on the statute books as a result of the efforts of the Right Hon. J. G. Gardiner before the war, and many people look on it as his monument. When a man has moved on he likes to look back at something he has done as his own. I should think that the Right Hon. Mr. Gardiner, who sat for 20 years on the government side of this House and one year in the opposition, had the right to consider the PFAA as a very worthwhile piece of legislation. We are now meeting here some years later to dismantle this monument to that long time minister of agriculture.

The act itself seems irrelevant today because the maximum payment under the act was $800. The act was the result of 10 years of depression and drought on the prairies, and its purpose was to give farm families enough money in case of a crop failure to pay their taxes, to buy their groceries for the winter, and have enough to seed their crop the following year. It should be said loudly and clearly that this act was a lifesaver for the many families that survived the 10 worst years in the history of agriculture in western Canada.

In addition the act gave those of us who were interested in policy precise crop figures for every quarter section in the west, and on the basis of that information we were able to do many things. We were able eventually to set up crop insurance legislation and to decide which areas would be good for community pastures and which would be good for other purposes. It was one of the first steps in a sort of land use policy which has slowly taken hold among governments in the western world. The PFAA should be given the credit it deserves.

It is true that the machinery of the act was awkward in the beginning and it was necessary to reform it. To get crop insurance in the event of a crop failure you had to be farming within a block of land where the crop yield was below a certain number of bushels. These blocks were too large in many cases and there could be several families with terrible crops, no income, and facing a difficult winter because the average for their block was higher than the minimum allowed under the act.

In this reform to the legislation we made these blocks smaller and we changed their size to allow for different types of land with different types of crops because of different weather, and I think that in the last years of its operation it was working reasonably well.

There are other things I wish to say about this act. It required inspectors to visit each farm where the crops had failed. Unfortunately for the history of Saskatchewan, Alberta and Manitoba, some of the inspectors, if not all of them, began to relate their duties in inspecting crops and the yield to the political persuasions of the farmers involved. This became what the political scientists describe today as "the Gardiner machine". This political machine set up on the prairies matched in efficiency, interest, and detail Tammany Hall of New York City, which is over 100 years old.

It fell to the lot of the Diefenbaker administration to clean up this legislation, and this was done without the dismissal of a single inspector, supervisor or senior employee under that legislation. All we did was ask them as fieldmen to refrain from political activity at the time of an election. In fact we went further and instructed the supervisors to hire the best men in each district, regardless of political persuasion, and we set an example, which I think will be admitted freely by the farmers in the west was good, by trying to pick reeves or councillors, men who had been elected in local areas and who were highly regarded for their integrity and ability. As a result, the farmer whose farm was being inspected would know he had a fair inspector and did not have to pass the test of

belonging to or working for the Liberal party. So the PFAA, administered fairly, became a very useful act.

I mention these things because no party suffered greater complaints than did we at the time. It was only natural and human that after 22 years with one administration all the available jobs went to supporters of that one party, and the people felt that when a different party formed the government it should take over this operation. We were criticized by members of our own party for following this practice of not dismissing those who had been appointed by the previous administration, and for going out of our way to see that the very best men of all parties were selected to be field inspectors.

One of the men who was appointed to head up the PFAA as a director was Mr. Howard Riddell, known over the province for his honesty and integrity as municipal secretary. His instructions by the minister involved only one thing, and that was to run the PFAA honestly and well.

I remember a quarrel that developed in this House in 1962 over the appointment of an individual to investigate charges that certain farmers were abusing the PFAA. The matter was sent to the Standing Committee on Privileges and Elections. At that time I was the minister. I appeared before that committee, threw away all my rights as a minister, and said that my records and communications between myself and the PFAA were available for the examination of the committee. There was no hiding of documents.

● (1550)

What I am saying is contained in the records of that standing committee. When members of parliament from all parties on the committee heard the evidence and saw the record, they immediately dismissed the charges. One member was not satisfied. I hear an objection. This was in the period of 1964 when the charges finally came up in the House. There was no Liberal majority of members on that committee. It was a minority parliament. Members from all parties agreed that the PFAA had been run well. There was one exception. One member said that politicians were scratching each other's backs and suggested that the charges should be brought before a court. They were. Once again, this time as the ex-minister, I threw all my records and personal communications into the hands of the courts. All the officials gave evidence.

The judge in his ruling threw out the charges on the basis that there was no evidence of malfeasance and that, on the contrary, all the evidence was clear that the instructions always had been that this act was to be administered honestly and fairly. That particular member of parliament sat on this side of the House. I refer to the member who made the request that the matter be taken before a judge. He received his pay-off by being called to the cabinet on the other side of the House where he became Minister of Agriculture. When the people caught up with him in 1972 he went back to the farm where he is today. I give this history because this particular bill to repeal this legislation is a matter of some interest to many farmers.

We now face a situation in the west where the political machine that we hoped we had destroyed in the years between 1957 and 1963 is being built up again. This time, however, there are new ministers. This situation started when the government decided to believe, in 1969 and 1970, that the information it was receiving from the experts, Statistics Canada and Statistics Washington, showing that there was too much grain. The government decided to take the farmers out of production. It said to them that if they did not go out of production they would lose their right to sell wheat, but that if they did as they were told and summerfallowed they would be paid $6 an acre, or if their land was put into grass they would be given so much per acre.

One can see the possibilities for corruption creeping up again. The power of this parliament was being used to take away the right of a man to sell his grain unless he did what he was told. If he did what he was told then he might be paid these sums of money. Once you start a system of telling farmers what they have to do, you must have a force of field inspectors to see how much land is in grass and how much is in summerfallow. Planes flew over the prairies photographing every square inch with cameras which could even see a golf ball.

After time had passed and all the money had been paid out for the grass program and the summerfallow program, it was discovered that there were overpayments. The government announced that it would take back the money. So, once again an army of inspectors had to be organized to go out and collect the overpayments that were made to the farmers. To add to the confusion of having all these inspectors going out, elections were being fought and funny instructions were given to inspectors. They were told that if an argument developed they were to juggle the figures for the benefit of the farmer. This type of thing does not pass unnoticed in western Canada.

On December 9 last year I asked a question of the Minister of Agriculture (Mr. Whelan). I asked it with the knowledge of the quick action the government took in responding to a request for an inquiry in the province of Quebec when trouble developed there. I asked:

> Would the minister take personal note of the disturbing events in the administration of Prairie Farm Assistance Act in the west? I am referring specifically to unauthorized payments for field men during the election period, information about which the hon. member for Red Deer has in his possession. In view of these disturbing developments, would the minister consider asking Mr. Howard Riddell, who was for 14 years the head of PFAA and who is now working for the Department of Municipal Affairs in Saskatchewan and who has the confidence of the farmers, and who is well known for his honesty and integrity, to come back and check out this very smelly situation?

I made no charges and named no names. I simply asked the Minister of Agriculture last December to check out this smelly situation. The minister replied:

> I do not know what the situation is, but I will certainly check on it and ascertain what the facts are.

Then I went on and suggested that he might consider asking Mr. Williams, the then Deputy Minister of Agriculture in Ottawa, to do the checking. I suggested that he let someone who is impartial, and known for his honesty and integrity, check on these facts. Later on in the week the hon. member for Red Deer (Mr. Towers) asked the minister about the possibility of asking the RCMP fraud squad to take this matter under investigation.

The Acting Speaker (Mrs. Morin): Order, please. It being four o'clock the House will now proceed to the consideration of private members' business as listed on the order paper, namely, public bills, notices of motions, and private bills.

Mr. Reid: I rise on a point of order, Madam Speaker. I believe you will find there is agreement to take up Bill C-221 standing in the name of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds).

Mr. Nielsen: Madam Speaker, before we do that I might mention that a bill standing in my name is first up today. I would be prepared to move the adjournment of the debate on Bill C-234 standing in my name on the order paper if we could have unanimous consent for Bill C-3 to come before the House now so that we might get it into committee.

● (1600)

Mr. Knowles (Winnipeg North Centre): I admire the hon. member's persistence, but that unanimous consent is not forthcoming.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

NATIONAL YOUTH APPRECIATION WEEK

MEASURE TO PROMOTE ENCOURAGEMENT OF YOUNG PEOPLE'S ACCOMPLISHMENTS

Mr. John Reynolds (Burnaby-Richmond-Delta) moved that Bill C-221, respecting National Youth Appreciation Week, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Madam Speaker, I have spoken to the House leaders of the various parties and I believe there is agreement to my withdrawing Bill C-221 respecting National Youth Appreciation Week. I believe I also have agreement to put the following motion:

That this House request the government to give consideration to continuing their practice of designating one week a year as National Youth Appreciation Week.

The Acting Speaker (Mrs. Morin): Is there unanimous agreement to Bill C-221 being withdrawn?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I rise this time to say there is consent.

Order discharged and bill withdrawn.

The Acting Speaker (Mrs. Morin): Is there unanimous consent for the hon. member's motion to be put?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): It is so moved.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Ralph Stewart (Cochrane): Madam Speaker, I thought perhaps the mover of the motion would introduce it with a few words, but since he has not done so I should like to address myself to the matter for a few minutes.

I commend the admirable sentiments of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) in presenting this motion. In calling for a national youth appreciation week the hon. member is expressing his respect and concern for this country's youth which, I am sure, all hon. members share. I am glad that he has chosen to change his bill to a motion because otherwise I would perhaps have had to question the usefulness of such proposed legislation. When a subject becomes law, it is a serious matter that goes onto the statutes of our country, and this would open the door to all kinds of groups wishing to have a law passed in order to back their favourite cause, whether it be a week for senior citizens, a week for young farmers, or a week for another group in our society.

It is of course impossible to argue against the sentiments that underlie this motion. However, I would like to see a little more detail, something more concrete, and a better explanation of what lies behind the motion. What effect would this motion have on the different segments of our youth? For example, what specifically will a child of 12 or a senior high school student derive from this motion? I believe that there is always the danger of negativism.

Not very long ago students on a great many campuses, in this country and elsewhere, were exceedingly vocal in their criticism of the establishment's so-called mindless rhetoric. The criticisms may be less vocal now but I believe they persist, and with some reason. I would not like to see this kind of idea, which we all support, being placed in the category of what is sometimes called mindless rhetoric. It has become platitudinous to associate youth with cynicism, but platitudes are often platitudes simply because they are true.

Surely we must take care not to excite youthful cynicism by needlessly indulging in empty rhetoric. I am afraid there is always this danger when we provoke motherhood type resolutions in the House. Therefore, I would like to see something more specific suggested in this respect. The sentiment, of course, as I said before, is shared by all members of the House, and is certainly shared by the government. Indeed, it is the underlying motivation of several of the government's programs that are oriented toward the youth of Canada. So perhaps, rather than a week being dedicated to our youth, in practice perhaps all the year round is so dedicated so far as many of us are concerned.

This year the government's Summer '75 program involves 12 government departments, with an expenditure of over $67 million. The summer program is expected to provide direct and indirect employment and activities for almost half a million students. This certainly shows the feelings that the government has in trying to encourage our young people and to show our appreciation of them.

The Department of the Solicitor General will employ a number of students in connection with its participation at the 5th U.N. Congress on the Prevention of Crime and Treatment of Offenders. This will take place in Canada later this year. Other federal departments are involved in

providing student employment and activities for the coming year.

We are all familiar, of course, with the OFY program which started a few years ago and went through many birth pangs. Many people criticized it when it first began, myself included, but it is something that has had many of the wrinkles ironed out of it, and it has given an opportunity to many young people to develop their own kinds of projects. It has allowed them to express themselves. I think this in itself is a great show of appreciation on the part of the government for our young people. Of course, Opportunities for the Youth is again the major component of the government's summer program this year. The OFY program has an estimated budget of $27.5 million, and it should provide some employment and useful activity for about 20,000 of our young people.

The Department of the Secretary of State is also sponsoring other summer programs this year. The student community services program is designed to support and encourage the activities of voluntary organizations serving the community by enabling these organizations to employ young people. That program has a budget of $5.7 million and will employ over 2,000 students. It will also involve several thousand volunteers. The department is also responsible for organizing a youth hostel program and a travel and exchange program. This travel and exchange program, in my view, is something that should be expanded much more. I feel that it is one of the greatest boons to Canadian unity. It permits the young people to travel about in our country, to get to know and understand people from other parts of Canada, and certainly understanding is what is needed to foster national unity.

LIP, although it is not directed primarily at young people, is a significant improvement over traditional winter works programs, and it is the kind of innovative community-oriented concept that would have been a welcome suggestion had it come from any party. I take pride in the fact that it has come from the government side of the House. Of course it has received much support from all sides of the House.

● (1610)

Apart from these important programs for summer employment I believe there exists a need and an opportunity for greater direct involvement of federal departments and agencies in the lives of young people, especially in the areas of education and the arts.

In light of the rather depressing results of recent surveys undertaken by the Committee for an Independent Canada with regard to students' awareness of their country, I believe that the government should give consideration to expanding the programs of the various cultural agencies as they affect young people. The very successful museumobile is a concept which deserves to be explored and expanded more fully.

The principles of democracy and decentralization which are the professed aims of government policy in the areas of museums, the performing arts and visual arts, are yet to be adequately acted upon, Madam Speaker. The need for greater activity in this area is acute, especially as it affects the lives of our children. We have a responsibility to promote participation among our youth in the affairs and activities of the community which surrounds and often dwarfs them. Their considerable energy and imagination needs to be harnessed, for their sake and for ours, and put to good use. We need, further, to encourage that element of our youth that at present is not organized in the way youth groups are. There is a crying need to respond in very concrete and realistic ways to that wasted youthful energy which devotes itself to outward destructive, and ultimately self-destructive, pursuits. The euphemism we often use is delinquent, but they are our children, and they are troubled. We have an important responsibility to them.

There exists in the east end of Montreal a huge project taking shape, a grand sporting complex intended to accommodate the Olympics. It is ironic that it should be located in that particular part of Montreal where children play in the streets. It would be a travesty if those magnificent facilities were to lay dormant after the Olympic flame is extinguished, and that is the fear of many people in this country. They say that in Munich the facilities which were made available for the Olympics there have not been used nearly to capacity, and I hope that this will not be the case in Canada.

I do not know if this is the proper time to mention it, but since we are talking about appreciation of our youth, and since we are talking about sports and other things which are good for our youth—because we know the old saying, which is perhaps a cliché, that a healthy mind exists only in a healthy body—we should be concerned about the future use of the Olympic area in Montreal, and I would suggest that perhaps it could become an ongoing national sporting centre for our young people from all over Canada and kept in good use for the benefit of our young people.

In closing I simply want to repeat that I admire the sentiments being brought forth in this motion. I simply wanted to put a few words on the record in order to show my support for that kind of sentiment, and also to underline the fact that we must be more specific when we suggest this kind of thing, whether it be for young people or for other elements of our society.

Mr. Reynolds: Madam Speaker, I had not intended to say very much because I think I spoke about this motion in the last parliament. I have certainly done much work on it. I think most hon. members have received letters from Optimist International, and I want to make sure that all hon. members realize that great job Optimist International did for the members of this House when we played the members of the press gallery at our annual hockey game. They are the ones who sponsored it and treated us very well and did an excellent job, and we would like to thank them for that assistance.

An hon. Member: Who won?

Mr. Reynolds: Of course the members of parliament beat the press gallery, and I think we are all in better shape.

I would like to read one thing into the record. The Secretary of State (Mr. Faulkner) has organized national youth appreciation week every year, and he puts out a very nice press release, as does the Prime Minister (Mr. Trudeau). I think many members of parliament participate. I know that in my riding I present trophies to boys

and girls who are recognized for their achievements within the community.

Of all the letters I have read I thought the letter from our Governor General was very apropos to read into the record, especially at a time when it is to be hoped, this motion will pass. It reads as follows:

GOVERNMENT HOUSE
OTTAWA

It gives me great pleasure to join hands with the members of Optimist International to pay tribute to the Canadian youth during this Youth Appreciation Week.

In view of the growing complexities of the problems that assail us, it is encouraging to see more and more young people involving themselves in community activities, thereby sharing heavy responsibilities in many fields. Moreover, it is only by your skills and initiative that you can attain your rightful place, that of co-builders of a new society.

In the mid seventies we are faced with the uncertainties of a new era brought about by many recent changes in our social structure. Our hope for the future is that the young people of today will involve themselves in the search for the answer to our problems.

Every year in November, the Youth Appreciation Week offers us an excellent opportunity to observe and appreciate those young Canadians who have accepted the challenge of a new Canada.

I offer my warmest congratulations to all those whose merits will duly be recognized this week.

Jules Léger

I think that letter says it better than anything anyone can say in this House. I will take my seat and hope that the House will let this motion pass.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, in just a very few words I should like to commend the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) for bringing this matter before the House at this time. I am also pleased that he has withdrawn his bill and given us a resolution instead. I say that, if for no other reason than because the resolution has a chance of being passed, and I think it is better for the House to say yes this afternoon than for it just to talk a matter out and leave it at that.

I want also to underline the view expressed by the hon. member for Cochrane (Mr. Stewart) when he said that it is important that we do more than indulge in rhetoric. If we want to show appreciation of the youth of Canada we must be very specific. I will put it in as tight a nutshell as I can. I believe that if we want to show appreciation of our youth we must see to it that the Canada in which they are living and the Canada of the future will be one in which there is full employment, along with equal educational and cultural opportunities for all. It must be a place in which the housing needs of young people and their families, now and in the decades to come, are met. It must be a country in which there is full and complete health care and security down the road. It must also be a country and a world in which the air and the water are clean and where there is a secure peace. These are the kinds of things we ought to work very hard for if we really want to show appreciation of our Canadian youth.

Mr. Roger Young (Niagara Falls): Madam Speaker, my remarks will be brief. As a young man who, some years ago in my early teens, happened to play organized hockey in leagues and clubs supported and sponsored by Optimist International, and also as one who, from this side of the House, was very fortunate and enjoyed participating in the game between the members of parliament and the press corps, I want on behalf of my colleagues on this side of the House who participated in that game to second the remarks of the hon. member for Burnaby-Richmond Delta (Mr. Reynolds) in our gratitude to the Optimist club for its sponsorship and for inviting us to participate. It was with a great deal of pleasure that each of us received from that club a very beautiful scroll and the presentation of a medallion. Certainly my gratitude is very deep.

● (1620)

I think it may be trite to say that the disappointing or sad things that a few of our young people get involved in sometimes receive a great deal of attention in the press, and it may also be trite to say that more good publicity on their behalf is needed and deserved. While these things might be trite to say, I do not think the truth of any of them is diminished in any way. With these few remarks I add my support for the hon. member's motion.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I want to congratulate the mover and tell him that we fully support his motion. I think Canadian youth well deserves to have its own week, and the government must take concrete action to show the interest attached to sports since youth sport is somehow the preparation of the future, the preparation of our athletes.

We are always proud to see a Canadian team able to face other competitors in true sportsmanship. I do not want to delay at all the passage of this motion, and I simply want to say that we are very proud that it was introduced before the House. We support it.

[*English*]

Mr. Gus MacFarlane (Hamilton Mountain): Madam Speaker, I am extremely pleased to associate myself with the remarks of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) and other hon. members, particularly the hon. member for Winnipeg North Centre (Mr. Knowles). It is good to see that he has reached his second childhood and is with us once more.

I think that I may be more appreciative of this becoming a motion rather than a bill than some hon. members. A bill is something like building for the future, and the young people today do not think that way. Some of them are saying, "I have seen the future and it will not work". That is not a bad thought because it means they are going to do something here and now about the future. They are not going to have five, ten or twenty year plans, but are setting about changing their world now and in a very successful way.

We should not forget, Madam Speaker, that boys and girls are just men and women in the cocoon. Any of us here may one day face one of them as a banker and try to borrow money from that banker, or may face one of them as a lawyer. One of the girls may be the person who comes into the room to put a large white funnel over my head, or indeed she may even be the surgeon. We have to face the fact that they are the future.

I like the idea of saying each year that we recognize the youth of the country—because each year it is a different youth. Youth passes very quickly and they should not be classified as one group. As the poet, John Oxenham, said:

For every man there openeth a way
A high way and a low
And every man decideth
The way his soul shall go
Some souls choose the high way
And some souls choose the low
And all the rest on misty flats
Drift to and fro
But every man and woman decideth
The way their souls shall go.

I am pleased that the hon. member brought the motion forward, and pleased too that he is so anxious that all of us should agree. I am most pleased to associate myself with the motion worded in this way. I think we should remember that what we do or say is of little importance because we are really in their hands, the hands of the generation called youth; the future is theirs, not ours.

Youth Appreciation Week

The Acting Speaker (Mrs. Morin): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): I declare the motion carried.

Motion (Mr. Reynolds) agreed to.

Mr. Reynolds: I should like to thank all hon. members for speedy passage of this motion and suggest we toast the youth of this nation in Room 431S after the House adjourns this afternoon.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): It being five o'clock this House stands adjourned until Monday next at two p.m.

At 4:28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 14, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

SUGGESTED RESOLUTION OF PROBLEM OF CASUAL WORKERS TO AVOID STRIKE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is a matter of urgent and pressing necessity. The request I make is so reasonable it will require no debate and I hope the House will agree to it. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the Postmaster General to arrange for renewed discussions between management and the Canadian Union of Postal Workers for the purpose of making a serious effort to resolve the differences respecting casual workers, in the hope that by doing so a strike by the CUPW can be avoided.

Mr. Speaker: This motion pursuant to Standing Order 43 cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ENERGY

REQUEST FOR MEASURES TO MAINTAIN PRICE OF HEATING OIL—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to introduce a very urgent motion demanding the application of immediate steps.

Considering that the price of oil and oil products will probably increase during the next months and that some oil products are more important than others for all Canadian consumers such as fuel, since all Canadians must heat their house, according to the changes of temperature, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House consider the steps to be taken so that the prices of some essential oil products such as fuel will not be increased, in order to enable all Canadians to heat their home at a reasonable price.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

AGRICULTURE

REQUEST FOR MEASURES TO MAINTAIN PRICE OF FARM MACHINERY PARTS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of urgent and pressing necessity.

Since the price of farming equipment is rising at an alarming rhythm, that spare parts are getting hard to obtain, and that prices are inflated because agents have to pay usurious interest rates to maintain required stocks, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House consider the means to be taken to help spare parts agents maintain stocks at reasonable prices, so as to avoid constant rise in production costs, thereby helping combat inflation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—MINISTER'S VIEW OF SEGMENT OF BUSINESS WHOSE APPROVAL NECESSARY IN SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who said on Friday that details of a consensus blueprint are now being evolved with that segment of the economy

whose consensus is necessary in respect of the business community for example. Could the minister clarify what segments of the business community must be part of the consensus understanding insofar as he is concerned or in his view. Would the approval, for example, of certain business associations be sufficient in order to constitute an agreement so far as he is concerned?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, obviously one wants to get as wide a range as possible. There are three task forces or technical committees now working, one with labour through the Canadian Labour Congress, another with business in three main areas, primarily responsible for resource, manufacturing and service industries, and a third now will be by way of liaison with provincial governments as a result of the conference of last week.

INFLATION—NECESSITY FOR UNANIMITY OF ALL SEGMENTS OF ECONOMY IN SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, is the position of the minister that he will have to have unanimity from those being consulted with regard to business, and unanimity also with regard to those being consulted on the part of labour before he has something on which he can move forward?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said to the hon. gentleman on a couple of occasions that in the arrangements being worked out mutually obviously one wants a general feeling that the targets specifically set are those which in general receive the approval of the various aspects of the economy. One could hardly hope of course for unanimity in a free parliamentary democracy but one would hope that the general view of the various areas of the economy would support what is announced by the government.

INFLATION—TERMS OF AGREEMENT WITH FARM SECTOR IN SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): I have one final supplementary, Mr. Speaker. If the minister does not have unanimity then he will have some who do not go along with his proposal. Would the minister tell the House what terms of agreement the government is seeking from the farm sector, having indicated that prices in general terms would not go up unless costs go up. What terms of agreement would the government be seeking with regard to the farm community in pricing?

● (1410)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, at the meeting the Minister of Agriculture and I and other ministers held with representatives of the National Farmers Union and the Canadian Federation of Agriculture, we were concerned primarily, as they were, in the stabilization of prices of major farm products. In that respect, that would be the objective we would be trying to achieve with regard to farmers. Obviously, there is no attempt to try to limit the price of farm produce at the farm gate because of the necessity in this country to stabilize food prices by encouraging farm production, and also as a country contributing toward relief of hunger in the world.

INFLATION—PURPOSE OF PRIME MINISTER IN FORMING GROUP OF SEVEN ECONOMIC ADVISERS

Mr. Sinclair Stevens (York-Simcoe): My question is for the Prime Minister. Would he indicate whether the formation of the group of seven economic advisers was partly to advise the Prime Minister in relation to the consensus talks that have been going on and, more generally, could the Prime Minister explain the purpose of assembling the group of seven advisory economists since the group only met three times in the two years of its existence?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the first part of the question is no, and to the second part my answer is that I take advice when and where I can get it.

Some hon. Members: Oh, oh!

INFLATION—REQUEST FOR VERIFICATION OF MR. BRETON'S STATEMENT GROUP OF SEVEN ECONOMIC ADVISERS DOOMED FROM START

Mr. Sinclair Stevens (York-Simcoe): In view of Mr. Albert Breton's reported statement to the CBC, Mr. Albert Breton being the chairman of the group of seven, that the committee was doomed from the start because of opposition among senior civil servants in Ottawa and the Minister of Finance, would the Prime Minister indicate whether in fact Mr. Breton was right in his observation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot even confirm that he said what he is quoted as having said.

INFLATION—POSSIBILITY OF STATEMENT BY PRIME MINISTER ON DISBANDING OF GROUP OF SEVEN ECONOMIC ADVISERS

Mr. Sinclair Stevens (York-Simcoe): My supplementary question is again to the Prime Minister. In view of another committee member's statement to the CBC that the Prime Minister will be making a formal statement concerning the disbanding of the group of seven and that he hopes the Prime Minister would put the whole business on the record—

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

Mr. Stevens: —would the Prime Minister indicate whether in fact he would be making a statement to the House concerning the function and disbanding of the group of seven?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I will not be making a statement about the group of seven, except on certain occasions when I make reference to those great painters who honoured Canada with their great talent.

TRADE

CANADA-UNITED STATES AUTO PACT—GOVERNMENT ACTION TO COUNTERACT DEFICIT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. According to recently released figures which show that Canada has experienced a $1.3 billion deficit in its trade in automobile parts in 1974, the largest deficit in the history of the Canada-U.S. automotive agreement, what specific steps has the government taken to reverse this highly unacceptable situation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member is well aware of the reason for the deficit, that is the fact that there is a strong Canadian market and a very, very soft U.S. market. As I have indicated to the House on previous occasions, there is not likely to be any short term solution, but surely the point is that the Canadian industry is doing comparatively better than the U.S. industry at present.

CANADA-UNITED STATES AUTO PACT—INVESTMENT PLANS OF MANUFACTURERS FOR NEXT YEAR

Mr. Edward Broadbent (Oshawa-Whitby): Considering that one of the major reasons for the deficit is that during the last five years the United States has received proportionately much more of the new capital investment in the industry than has Canada, and considering that the major automotive companies now are restructuring their production for 1976 with a view to producing smaller and more energy-efficient vehicles, can the minister inform the House as to whether or not he has obtained specific commitments from the big three auto manufacturers concerning their investment plans for Canada for the next year?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I expect the automobile manufacturers, in making new investment, to maintain the relativity of their participation in the North American market.

CANADA-UNITED STATES AUTO PACT—REQUEST FOR PRICE PARITY WITH UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary, noting that the minister has provided no assurances at all on the first two points. Considering that we also have a record deficit in automotive trade with countries other than the United States for 1974 reaching a level of $484 million, and considering that one of the major reasons for that deficit, particularly as it pertains to imports from Japan, is the excessively high price charged for North American cars produced in Canada, could the minister inform the House whether he has obtained assurances that we will get price parity in terms of the prices charged to Canadians for Canadian produced cars compared with the prices charged to Americans for the same vehicles.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): On an earlier occasion the hon. member made some statements about the price differential. He chose to make them on the basis of retail prices rather than on wholesale prices. I have invited him to provide information on wholesale prices which he said had shown a widening of the gap. Every piece of advice and information I have received indicated that the price differential between Canadian automobiles sold in Canada and Canadian automobiles sold in the United States is narrowing.

Mr. Broadbent: Mr. Speaker—

Mr. Speaker: Order, please. I remind the hon. member that that was his final supplementary. The hon. member for Rimouski.

* * *

[*Translation*]

ENERGY

REQUEST FOR MEASURES TO MAINTAIN PRICE OF HEATING OIL

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put question to the Minister of Energy, Mines and Resources.

As the price of oil products will likely increase, has the minister taken or will he take steps to maintain the price of heating oil at its current level, since the whims of our climate and the well-being of Canadians is not a luxury? Does the minister intend to take what steps are necessary to keep the price of heating oil at its present level, since the cost of oil products will probably increase in the near future?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I must point out to the hon. member that no decision has yet been taken with regard to the price of oil, oil products or crude oil in Canada.

Last week, during the first ministers' conference, we proposed setting up a formula to allow the discussion of those matters. The idea was at first rejected by the premiers. Now, there is talk of bilateral discussions on the possibility of fixing limits on the price of crude oil and natural gas.

At this point, no decision has yet been taken on oil prices; the question of the hon. member is therefore hypothetical.

Mr. Allard: Mr. Speaker, I have a supplementary question.

If prices were to increase, would the minister consider protecting Canadian consumers with regard to heating oil prices?

Mr. Macdonald (Rosedale): Mr. Speaker, to my mind that question is even more hypothetical.

Oral Questions

[*English*]

POST OFFICE

REQUEST NEGOTIATIONS WITH LETTER CARRIERS BE CONCLUDED WITHOUT STRIKE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. I trust that he is in a genial mood following his turkey dinner this weekend.

Now that the contract negotiations between the letter carriers' union and the Post Office Department have arrived at a stage of negotiation based on the conciliation board report, can the minister assure us that these negotiations will be consummated without resort to the strike route?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I wish I could, but it would be very presumptuous on my part to say what role or what future action the union may want to take. They are certainly in a position to resort to strike if they wish to do so. On the positive side, and more important, the letter carriers' union and the negotiating team made up of representatives of the Post Office and the Treasury Board are scheduled to meet later today.

● (1420)

REASON POSTAL SORTERS NOT GIVEN OPPORTUNITY TO WORK OVERTIME BEFORE CASUAL WORKERS EMPLOYED

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. In light of continuing sensitivity in the negotiations with the post office workers, would the minister explain to the House why postal sorters and clerks were not given an opportunity to opt for overtime work to alleviate the backlog of mail in Montreal before casual workers were employed?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, might I take a few seconds longer and perhaps avoid other questions. On Saturday there was a blanket invitation to all regular postal workers to work overtime Saturday. Of the 2,000 regular workers, over 600 accepted the invitation and were at work. In addition to that there were 300 regular and part-time workers who normally work on Saturday. It was then, and only then, that casual workers numbering 150 were hired. There could have been up to 2,000 regular workers working overtime on Saturday if they wished to take advantage of the occasion to earn extra supplementary income at time and a half. There are over 10 million pieces of mail lying in post offices in Montreal belonging to the public of Canada, and I intend to see that the public gets that mail with or without the co-operation of a handful of people who are intent on contravening regulations.

Some hon. Members: Hear, hear!

Mr. Dinsdale: A final supplementary question, Mr. Speaker. In light of the Postmaster General's remarks, I take it he is intending to work toward a negotiated settlement of contract disputes with the postal union, rather than incite mail sorters and clerks to strike in anticipation of a legal walkout by the letter carriers? The president of the union has charged that the minister is attempting to do the latter.

Mr. Mackasey: I thank the hon. gentleman for his question. Under the collective agreement there is no obligation on the part of the Postmaster General to consult with the unions in the event of need for casuals. I felt, however, that it would be appropriate and only logical to consult with the unions. For the last several weeks there has been a series of meetings and consultations with the unions about the problem of reducing the backlog of mail. At midnight on Thursday we informed the union, since we still had not arrived at a satisfactory solution to the problem, that we would be obliged to use casuals this particular Saturday, but that we intended to continue to consult in order to obtain a solution that was satisfactory to the union.

Despite this, the casual workers were evicted forcibly from the premises, and as a result of that the people who felt that this was the proper way of acting in a democracy were all suspended, including 11 who have been suspended indefinitely, which I hope is proper terminology for being fired.

REQUEST FOR RESUMPTION OF DISCUSSIONS ON PROBLEM OF CASUAL WORKERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a supplementary question to the Postmaster General with regard to the difficulty in Montreal with the inside workers. In view of the fact that officials of the Canadian Union of Postal Workers have declared that they want to continue to discuss and consult over the question of the casual workers, would the Postmaster General arrange for renewed discussions so that this issue can be resolved on that kind of a basis?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I did better than that. Consultations were resumed yesterday, the effect of which, however, was that I have had to suspend more people again today. I wonder just where is the good faith of the union.

Mr. Knowles (Winnipeg North Centre): A further supplementary question, Mr. Speaker. In view of his reference to good faith, may I ask the Postmaster General whether he regards it as conducive to good labour relations for employees of the Post Office to have their doors knocked on at three o'clock in the morning and to be told of their dismissal.

Mr. Mackasey: No, Mr. Speaker. I will look into that matter and will see that a proper apology goes out to those people who no longer work for the Post Office. I suppose I am guilty of believing that the role of the employer is to run the Post Office according to the collective agreement that was agreed to by the unions under proper negotiations two years ago.

POSSIBILITY OF MEASURES TO IMPROVE DELIVERY OF WEEKLY NEWSPAPERS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I address my question to the Postmaster General.

What steps does the minister intend to take to improve the quality of postal delivery and thereby protect the efforts of Canadian weekly newspapers to dispense news quickly and efficiently to readers across the country, and I might say not to the immediate area—

Mr. Speaker: Order, please.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I can only say that if the newspapers would reflect news with the same efficiency as postmen deliver mail, we would have better news services in this country.

Mr. Darling: A supplementary question, Mr. Speaker. With all due respect for the Postmaster General's reply, I can agree with him so far as daily newspapers are concerned, but not in the case of weekly newspapers. Therefore, I wonder what he will do to help them.

Mr. Speaker: Order, please.

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AIRPORTS

REPLACEMENT OF CORPS OF COMMISSIONAIRES BY RCMP SECURITY GUARDS—POSSIBILITY OF ALTERNATIVE EMPLOYMENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is addressed to the Minister of Transport. What action is the minister taking to curtail the phase-out of the Corps of Commissionaires members who are performing security duties at national airports and who are to be replaced by members of the RCMP. Hopefully, the minister will find alternative jobs for these people.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am not aware of this matter but will inquire and see if I can report to the hon. gentleman tomorrow.

Mr. Marshall: Mr. Speaker, may I address a supplementary question to the Minister of Veterans Affairs. Will the minister determine not only the capabilities of veterans, for the performance of such duties as I mentioned at national airports, but also make sure that veterans are given enough time to find alternative employment which may come within the scope of the endeavours of the Corps of Commissionaires and of the Department of Manpower and Immigration.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I will be very glad to work with my colleagues, the Minister of Transport and the Minister of Manpower and Immigration, and look into this question.

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HARBOURS

HALIFAX—ALLEGED COMMITMENT CONCERNING SHED RENTAL POLICY—GOVERNMENT ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. In light of the very serious action taken by the chairman of the National Harbours Board in denying an undertaking given by the board's vice-chairman to the mayor of Halifax, to the effect that no change in shed rental policy will take place without the concurrence of the Halifax port authority, and in light of the mayor of Halifax's position to the effect that the board should adhere to that undertaking, is the minister now prepared to give this House an undertaking honouring the commitment given by the vice-chairman of that board.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am afraid I will have to get in touch with the representative of the National Harbours Board, to know exactly what commitment was given to the mayor of Halifax.

Mr. Forrestall: A supplementary question, Mr. Speaker. I thank the minister for undertaking to advise himself of the situation. I wonder, because of the serious deterioration of relations involved in this matter whether, once he has advised himself, he will consider meeting with the port of Halifax people and other interested people, labour, and so on, with a view to resolving this serious impasse.

Mr. Marchand (Langelier): Mr. Speaker, I think that is a good suggestion.

* * *

CONSUMER AFFAIRS

REASON FOR FAILURE TO DONATE JEANS SEIZED BY DEPARTMENT TO CHARITABLE ORGANIZATIONS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question to the Minister of Consumer and Corporate Affairs relates to the question on the order paper answered on April 7. Can the minister explain to the House why 7,987 pairs of jeans, worth approximately $40,000, which were seized by his department were recently buried instead of being donated to charitable institutions.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I think I gave the answer, Mr. Speaker. This has been suggested to the company. Unfortunately, it has not followed our suggestion.

[*English*]

Mr. Fraser: A supplementary question, Mr. Speaker. Can the minister tell the House if the policy is to seize clothing that does not comply with labelling regulations there is no discretion as to what can be done with the objects which are seized, or is the minister telling the House that the policy of the department is to give these articles back to the owner? If the owner does not destroy them, what happens to them?

● (1430)

[*Translation*]

Mr. Ouellet: Mr. Speaker, I think the answer I gave in writing was rather complete and demonstrated that the company is keeping the option of doing what it wants with

its clothes. On the first occasion, some of these clothes were indeed given to charitable organizations. In the other case, the company did not want to do that. I think this is unfortunate because these clothes could have been used for charitable purposes. Unfortunately, this has not been the case; they had to be destroyed.

[*English*]

REASON JEANS WERE INCORRECTLY LABELLED AND BY WHOM

Mr. John A. Fraser (Vancouver South): Can the minister advise whether his department or the government is taking any steps to investigate the reason why these jeans were incorrectly labelled and whether they were incorrectly labelled by foreign manufacturers outside Canada?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can check this and I shall report to the hon. member as soon as possible.

* * *

[*English*]

STATISTICS CANADA

DATE OF TREASURY BOARD APPROVED OF CONTRACT TO HEAL, SHAW AND WALDEN FOR SURVEY—REASON FOR USE OF OUTSIDE FIRM

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is to the President of the Treasury Board. Given the extensive operations of Statistics Canada in the field of survey research, will the minister tell the House when Treasury Board approved a $50,000 contract to the Toronto public relations firm of Heal, Shaw and Walden to survey attitudes of the general public toward Statistics Canada?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am not cognizant of a question as precise as this one. I shall inquire and report to the hon. member.

[*English*]

Miss MacDonald (Kingston and the Islands): Mr. Speaker, I wish to direct my supplementary question to the Minister of Industry, Trade and Commerce. Will the minister advise whether the contract was tendered and why it was considered necessary to award this survey to an outside firm, given the extensive resources that Statistics Canada has to handle such a study.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I cannot provide details on the contract, but I have been given the reason that Statistics Canada entered into this agreement. It was that this particular firm has expertise in sampling public attitudes which Statistics Canada does not have.

EXTERNAL AFFAIRS

PROPOSED NATO SUMMIT MEETING—POSSIBILITY OF DISCUSSIONS WITH UNITED STATES AND BRITAIN CONCERNING AGENDA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Prime Minister. Has the Prime Minister or any member of his cabinet been in touch with the Americans or the British to ascertain their views on the topics to be discussed at a NATO summit meeting in Brussels on May 29 and 30? Since NATO is a cultural, military and economic alliance, has Canada prepared a position which it will take at the summit meeting which will not only strengthen the NATO military alliance, but also hopefully strengthen our economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the answer given by the Acting Secretary of State for External Affairs the other day to the effect that the summit is still being discussed is the proper answer at this time.

Mr. Baldwin: Maybe it will find your link there.

Mr. Trudeau: Mr. Speaker, I hear people in the galleries laughing. They are laughing at their own show. There is no need for that. They laughed enough Saturday night.

An hon. Member: You stage-managed it.

Mr. Trudeau: I gave the substance of the subject. I know that the meeting has not been set in a firm way. As to the topics to be discussed, I will check whether the minister has had any conversations with the Americans. Certainly, it is a subject that I discussed with the United Kingdom government last month when I was in London. We talked about possible dates and possible subjects. At this stage, I think it is too early to answer in any firm way about the date or the agenda.

REQUEST FOR DETERMINATION OF LEGALITY OF OPERATIONS OF FALCONBRIDGE NICKEL MINES IN NAMIBIA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Acting Secretary of State for External Affairs. At the recent annual meeting of the shareholders of Falconbridge Nickel Mines, the president made it clear that that company proposed, through a subsidiary, to continue to operate in Namibia without the consent of the council for Namibia which was given full authority over that territory by the United Nations Security Council, and that Falconbridge was going to continue to seek to make profits out of the illegal maintenance of the apartheid system in that country. Will the minister seek legal advice as to whether these operations are illegal and whether action can be taken to restrain the continued defiance by the company of the United Nations and its resolutions?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for having given my office notice of this question. I immediately conveyed it to the department which is now making inquiries as to the factual situation. After that has been done, I hope to be able to answer the question.

[*Translation*]

AIR TRANSPORT

REQUEST FOR MAINTENANCE OF SERVICE TO FORT GEORGE, QUEBEC

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a question to the Minister of Transport.

Can the minister advise the House whether he has received a letter signed by a number of residents from Fort George, Quebec, to the effect that Nordair Airlines have decided to discontinue their services to Fort George? Can the minister also advise the House whether he has contacted Nordair Airlines, and whether he can assure Fort George residents that general services, including the delivery of mail, as well as medical, and fresh food supply, will not be cancelled to this northern community?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will verify whether I have received this letter, for I do not remember receiving it. However, I suggest that such an application for cancellation of service would not have been sent to the Minister of Transport, but to the Canadian Transport Commission, of which Mr. Benson is the president.

This is the body which is responsible for this decision. It is the CTC which decides whether to maintain the service or not. However, I am going to find out whether I have received the letter referred to by the hon. member.

* * *

[*English*]

EXTERNAL AFFAIRS

STATEMENTS BY FRENCH MILITARY AUTHORITIES CONCERNING BOARDING OF "GREENPEACE III"—SUGGESTION GOVERNMENT ASK FOR DENIAL

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Prime Minister regarding the *Greenpeace* incident. In view of statements made by officials high in the French government and denials by two ministers of the Crown, has this government asked the government of France to refute statements made by members of their armed forces regarding collusion between the French government and the government of Canada before the boarding of the *Greenpeace* in order to clear the air on this matter for the Canadian public?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it should be cleared by the fact that we deny having made those statements.

BOARDING OF "GREENPEACE III" BY FRENCH AUTHORITIES—SUGGESTION GOVERNMENT PROVIDE COUNSEL FOR MR. McTAGGART AT TRIAL

Mr. John Reynolds (Burnaby-Richmond-Delta): Can the Prime Minister assure the House that the Canadian government will have counsel at Mr. McTaggart's side when his case comes to trial on May 12?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, the government will not have counsel at Mr. McTaggart's side. If you have a supplementary, I will answer it.

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THE CANADIAN ECONOMY

POWERS OF BOARDS PROPOSED FOR MONITORING CONSENSUS PROGRAM—POSSIBILITY OF PRICES AND INCOMES CONTROLS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Minister of Finance. It is with regard to the board or boards the minister has proposed to set up to monitor the mystical consensus program. Will this board or boards be the authority which the government intends to use in the event the consensus process reveals the necessity for the implementation of a contingency plan, under which controls on further increases in prices and incomes will be legislated?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

Mr. Oberle: What will be the functions of these boards? Will they just be another review board that will convey tidings of bad news, of the smell of rotten eggs, or will they have any authority?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I explained to the hon. gentleman's leader on Friday that the need for the existence of the boards and the terms of reference of those boards were part of the consensus process. We are currently talking about that with representatives of business, labour and other segments of the economy.

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INCOME TAX

ALLEGED CONFUSION CONCERNING INCOME FROM SICK BENEFITS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of National Revenue. Is the minister aware of the confusion of answers being given by staff in the Income Tax Department across the country concerning regulations relating to taxable income received from sick benefit funds?

Hon. Ron Basford (Minister of National Revenue): No. Mr. Speaker, but I will inquire into it.

* * *

● (1440)

[*Translation*]

TRANSPORT

LOSS OF FISHING VESSELS ON WEST COAST—REQUEST FOR REPORT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Transport.

Can he give us indications on the results of the investigation undertaken on shipwrecks and losses of life in the fishing industries that recently took place on the Pacific coast?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I expect to receive the report tomorrow. If so, I will very soon be in a position to answer the hon. member.

* * *

[*English*]

HOUSE OF COMMONS

REASON FOR ALLEGED INQUIRY BY PRIME MINISTER CONCERNING MEMBER OF STAFF OF MEMBER FOR LEEDS

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Prime Minister. Has he, or anyone acting on his behalf, instructed a person or persons in his office or in the Privy Council office to make investigations or inquiries concerning any members of the staff of the office of the member for Leeds and, if so, why?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): I did ask someone on my staff to make sure that the hon. member for Leeds could outswim a shark.

Some hon. Members: Oh, oh!

Mr. Cossitt: What are the reasons for someone announcing himself as J. G. Richard of the Privy Council Office making such inquiries as recently as last Thursday, including a strange telephone call to the National Parole Board?

Some hon. Members: Oh, oh!

Mr. Cossitt: Does this represent a new government policy in dealing with the right of democratic dissent?

Mr. Trudeau: Mr. Speaker, I never could take a question by the hon. member for Leeds seriously and I do not take this one seriously.

* * *

FINANCE

PRICE OF CRUDE OIL ON WHICH MAY BUDGET BASED—REASON FOR CALLING PROVINCIAL CONFERENCE IF GOVERNMENT TO SET OIL PRICE BY LEGISLATION

Mr. Peter Bawden (Calgary South): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that the price of oil is a vital ingredient in the preparation of a budget, will the minister say whether his proposed May budget will be based on an increase in the price of crude oil, and if so what price is to be used?

Hon. John N. Turner (Minister of Finance): If, before a budget is brought down, there is no agreement or action with regard to setting the price of oil or the related price of gas, either the budget would have to be delayed or I would have to make some assumptions.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Bawden: My supplementary question is to the Prime Minister. Since the government is pressing on with Bill C-32, under the terms of which a price can be imposed upon the provinces, will the right hon. gentleman tell us why it was necessary to go to the trouble and expense of calling a further meeting of first ministers if he and his ministers have already reached a decision on the price of crude oil and used that price in the budget?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member may have noticed that we did not press on with this bill in the House until we realized it was impossible for the ten provincial premiers to agree amongst themselves. It was only in the face of the failure of negotiations the other day to reach an agreement that we are now availing ourselves of the legislative powers which the constitution entitles us to have in the area of interprovincial and international trade so that we can exercise those powers should further efforts to reach a consensus be unsuccessful.

Mr. Bawden: My final supplementary is directed to the Minister of Finance. Was the Minister of Finance saying, in response to my question, that the government might wait until after the first ministers have agreed upon a price for crude oil before bringing down a budget?

Mr. Turner (Ottawa-Carleton): I was saying that as time elapses I shall have to make a judgment as to the best way to proceed.

REQUEST FOR INCREASE IN EMPLOYMENT IN AGRICULTURE EXEMPTION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is directed to the Minister of Finance and arises from the hon. gentleman's announcement that he intends to bring down a budget soon. Has he considered raising the employment in agriculture exemption from $250 or 25 days to $1,000 or 60 days?

Hon. John N. Turner (Minister of Finance): I will consider the hon. member's question as a representation, Mr. Speaker.

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EXTERNAL AFFAIRS

REASON FOR FAILURE OF MINISTER TO VISIT EGYPT AND ISRAEL DURING TRIP—INQUIRY WHETHER MINISTER OF FINANCE WILL VISIT EGYPT AND ISRAEL

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Prime Minister. Having regard to the growing tension in the Middle East and the presence of Canadian peacekeeping forces in the area, could the right hon. gentleman explain to the House why the Secretary of State for External Affairs did not include Egypt or Egypt and Israel in his current tour?

Right Hon. P. E. Trudeau (Prime Minister): The current tour was organized with a different purpose in mind than trying to reconcile Egypt and Israel.

Mr. McKinnon: My supplementary is for the Minister of Finance who will be touring the Middle East in the near future, looking into the oil situation. As confrontation between Israel and Egypt was the main stimulus to the Arab oil embargo, is the minister planning to visit Egypt and Israel on his tour, and if not why not?

Hon. John N. Turner (Minister of Finance): The answer is, no. The purpose of the trip is to visit members of the OPEC countries in order to ascertain their intentions as we move toward a maturing monetary system and attempt to digest the problem of world surpluses and deficits arising from oil transactions.

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LABOUR CONDITIONS

SUGGESTED APPOINTMENT OF MEDIATOR IN NEGOTIATIONS BETWEEN ALGOMA CENTRAL RAILWAY AND TRANSPORT WORKERS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is addressed to the Minister of Labour. Does the minister intend to take any action, such as appointing a mediator, so that negotiations may resume between the Algoma Central Railway and the United Transportation Union?

Hon. John C. Munro (Minister of Labour): I shall be pleased to take that suggestion under consideration.

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ADMINISTRATION OF JUSTICE

INQUIRY CONCERNING APPOINTMENTS TO FEDERAL COURT

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a question for the Minister of Justice. I should like to ask him whether the appointment of Mr. Justice Dubé to join Mr. Justice Mahoney indicates a firm intention on the part of the Government of Canada to turn the Federal Court of Canada into a sort of second Senate and resting place for relics of the treasury benches?

An hon. Member: Cheap!

* * *

AIR CANADA

NEGOTIATIONS WITH BRITISH AIRWAYS ON EXCHANGE OF FLIGHTS BETWEEN WESTERN CANADA AND EUROPE—REQUEST FOR REPORT

Mr. Dan McKenzie (Winnipeg South Centre): A question for the Minister of Transport. Can the minister report on the negotiations which are going on at the present time between Air Canada and British Airways with regard to an exchange of flights between Western Canada and Europe? When will these flights start?

Hon. Jean Marchand (Minister of Transport): There are about 50 negotiations going on at the present time between Air Canada and different airlines and countries in the world. I shall inquire into this one, but I am not in a position to give an answer this afternoon.

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ENERGY

REASON FOR WITHDRAWAL OF FEDERAL FINANCIAL SUPPORT FROM MANITOBA HYDRO

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Can he tell the House whether the withdrawal of financial assistance from Manitoba Hydro was wholly consequent upon the choice made by that utility to purchase Swiss equipment rather than equipment manufactured by Canadian firms, or whether other considerations were involved?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): One of the prime conditions which was set out as governing the availability of financing from the federal government had to do with the degree of Canadian content such as the Canadian government itself would have followed in such circumstances. The proposal which the Manitoba government accepted would involve only 30 per cent of Canadian employment as opposed to approximately 80 per cent which would have been involved in the other bid. At the same time, the other bid would have meant the development here of the technology related to long distance high voltage transmission while the Swiss bid only involved the financing of development in the hands of other countries. For these reasons we felt we should not use funds of the Canadian government to finance what amounts to a benefit to offshore suppliers.

Mr. Ritchie: Did the original agreement allow for the opting out of the federal government in certain circumstances?

Mr. Macdonald (Rosedale): We set out the conditions in advance and they were well known to Manitoba.

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AGRICULTURE

BEEF CATTLE—DISCUSSIONS WITH UNITED STATES CONCERNING RESUMPTION OF TRADE

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I direct my question to the Minister of Agriculture. It arises from astronomical losses experienced by Canadian cattlemen in the last 18 months. In view of the fact that a large percentage of these losses can be attributed to confrontation with our United States counterparts, will the minister inform the House whether discussions are still taking place with Secretary Butz to ensure the movement of our surplus beef into the United States?

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, while not agreeing at all with the preamble to the hon. member's question, if we had not taken any action we would have had thousands of cattle from the United States

dumped on our market depressing our prices to that of theirs. Canadian cattlemen are better off by $100 million by our action. Discussions are taking place with our U.S. counterparts.

Mr. Hurlburt: Mr. Speaker, in view of the fact that in the last 18 months we have had tariffs on and tariffs off, surcharges on and surcharges off, subsidy programs and the diethystilbestrol issue, I should like to ask the minister if he feels this will be a deciding factor as far as Washington is concerned?

Mr. Whelan: Mr. Speaker, the hon. member has mentioned many of the programs we have initiated to help the cattle producers, and I may say that this was at the insistence of the cattle producers of Canada practically at all times. These things have been discussed with the United States, and these are some of the laws of our land that we have to abide by.

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ENVIRONMENTAL AFFAIRS

BODY OF DEAD WATER IN RED RIVER—GOVERNMENT ACTION TO DIMINISH EFFECT

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I should like to direct a question to the Prime Minister which relates to a body of dead water approximately eight miles in length moving down the Red River which could result in a fish kill of magnitudinous proportion. Will the Prime Minister indicate to the House what steps the government is taking to diminish the effect of this slug of dead water?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to take notice of that question as I do not have any detailed answer. I do know the subject is being studied by the IJC. I will check for a report and can perhaps then provide a responsible answer.

* * *

[*Translation*]

INDUSTRY

TEXTILES—POSSIBLE LAY-OFFS—MEASURES TO SAVE INDUSTRY

Mr. Roch La Salle (Joliette): Mr. Speaker, I want to put a question to the Minister of Industry, Trade and Commerce.

Since the government has agreed to accept some of the proposals made by the special commission on textile products and since information from that industry leads me to believe that the number of its employees will decline by 50 per cent within the next six months, considering the clearly inadequate decisions taken by the government, could the minister say whether he intends to take new measures, which would be much more drastic than those it has taken, to save the textile industry in Canada, rather than letting it go in jeopardy, as it now is?

[Mr. Whelan.]

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not accept the figure of 50 per cent reduction in the employment levels of that industry. I think that is a gross exaggeration, and, worse than that, I think it is an alarmist suggestion. The information I have received from the industry and from the clothing and textile board indicates that while we may have difficulties as a result of a slowdown in Canada and as a result of some imports into Canada, the long term future of this industry is good. Indeed, the government accepted all of the recommendations of the clothing and textile board in respect of its substantial report with one exception, which had to do with polyester yarn. We put that on the import control list and we have it under a very close monitoring process at the present time.

[*Translation*]

Mr. La Salle: Mr. Speaker, I want to ask a supplementary question which will bring at the same time supporting evidence to my previous question, since in my region two textile companies informed me last weekend, one, that it may have to close down within three months, and the other, that it will reduce its personnel by 50 per cent. And to this information it was added—

Mr. Speaker: Order, please. The hon. member must ask his question.

* * *

[*English*]

THE CANADIAN ECONOMY

INFLATION—NATURE OF AGREEMENT MINISTER DESIRES FROM FISHING INDUSTRY IN SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, having regard to the consensus program, I should like to ask the Minister of Finance what kind of agreement he is seeking from the fishing industry? Does he expect the industry to hold its prices, or what proposal is he making?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, at the moment we are exploring with the agricultural and fishing industries how best they can fit into this program of monitoring of our economy, but roughly the same answer would apply to the fishing industry that I gave earlier in respect of agriculture. One wants to encourage the production of the fishing industry.

INFLATION—SEEKING OF CONSENSUS ON RESTRAINT FROM MINING COMPANIES—POSSIBILITY OF TWO-PRICE SYSTEM FOR MINERALS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I take it there would be no request to the fishing industry to hold its prices, but with regard to minerals mined in Canada, will the Minister of Finance indicate what is being asked of the mining companies? Are they being asked to hold their prices except in cases where their costs go up, and particularly when the minerals are

supplied to Canada? If this is so, is there to be a two-price system in respect of these kinds of industries?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if, as and when the program performs successfully the mineral industry will hopefully be a part of it. The hon. gentleman has put his finger on one of the difficulties involving the export price of primary products, particularly mineral resources. I would be rather reluctant to contemplate a two-price system for a number of reasons, not the least of which is that this might be open to retaliation from some of our trading partners. That is one of the difficult questions that has occurred in these discussions.

* * *

[*Translation*]

ENERGY

ADVERTISING IN "LE JOUR"—POSSIBLE CHANGE IN POLICY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources.

Since the petroleum situation is now of the greatest interest, and since protests are rising from every part of the country against the minister's decision not to use the newspaper *Le Jour* to inform the readers of his department's policy, may I ask him whether he intends to review his policy on the matter with a view to doing justice to this paper's readers, particularly on the petroleum matter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The decision has not changed, Mr. Speaker.

* * *

[*English*]

HEALTH

STUDY CONCERNING ARSENIC POISONING IN YELLOWKNIFE—REQUEST FOR REPORT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I should like to ask the Minister of National Health and Welfare to indicate whether the health study conducted in Yellowknife concerning arsenic pollution has now been completed, and does he have a report to present to parliament in that regard?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): I will inquire, Mr. Speaker, and if this study is ready, I will be pleased to publish it or provide the hon. member with a copy.

[*English*]

THE CANADIAN ECONOMY

POWERS OF BOARDS PROPOSED FOR MONITORING CONSENSUS PROGRAM TO ENFORCE GUIDELINES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, with your patience I should like to direct two questions, the first to the Minister of Finance and the second to the Minister of Consumer and Corporate Affairs. Having regard to the terms of reference of the board or boards which will be set up under the consensus talks, will the Minister of Finance advise whether the government is now going beyond the areas of monitoring and interpretation of the principles raised in his statement and is now prepared to consider terms of reference that might include the authority to enforce key aspects of whatever guidelines are established?

Hon. John N. Turner (Minister of Finance): No, Sir.

ALLEGED CONTINGENCY PLAN FOR COMPULSORY INCOME AND PRICE CONTROLS—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my second question is addressed to the Minister of Consumer and Corporate Affairs, and is similar to one asked of the Prime Minister last Thursday regarding the continual updating of a contingency plan for compulsory income and price controls. That question was not answered by the Prime Minister or the Minister of Finance. It certainly has been reported that there is a plan in existence that is continually being updated. I refer to a contingency plan for compulsory income and price controls. Can the minister confirm that report?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe it already has been said that the government has studied these possibilities in order to consider them if necessary. The fact that we have studied the matter and checked the possibility of using this solution does not mean necessarily that we agree with this doctrine. However, it is clear that the government has studied what it would imply and neglected no details in developing a plan that could be used if necessary.

[*English*]

Mr. Alexander: Notwithstanding that long preamble which gave me no information whatsoever, Mr. Speaker, will the minister answer the question I really want him to answer, and that is whether this plan in continually being updated?

[*Translation*]

Mr. Ouellet: Mr. Speaker, it is clear that the government in seriously studying the changing situation in Canada, must become familiar with all new situations, and it is clear that the civil servants of my department check each day very seriously the change in the situation.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER ON PROCEDURE DURING ORAL QUESTION PERIOD

Mr. Speaker: Order, please. On Monday last the House began an experiment with a change in procedure relating to the question period, Standing Order 43, supply and ministerial statements. I indicated earlier that I would make a statement today in respect of the changes. This statement concerns itself with the question period only and, as I indicated before the Easter break, ought to be taken as a reference point for discussion and consideration by members of the Standing Committee on Procedure and Organization, where I will be happy to appear if members wish. It is therefore not so much a decision as an explanation of my understanding of how our question period should operate.

The question period is a unique feature of the Canadian House of Commons where the ministry is required to be accountable to the House on a daily basis without advance notice. It is an excellent feature of our parliament, and while we have much to learn from other governmental systems, the question period is one area in which we are in the forefront of responsible government, and every effort must be made to preserve the excellence of this practice.

The opportunity of members to put questions has developed in a rather haphazard way, but is now enshrined in Standing Order 39 and if it ever was considered to be a privilege of members, it certain now enjoys the status of a right. Much has been said in the precedents about restrictions and disqualifications or interferences with the right of members to put questions. This is not the approach I prefer to take in attempting to establish a rational approach and understanding concerning how the question period should operate. I much prefer to take the positive approach of attempting to arrive at a statement of principle within which questions can be put, and to reduce to an absolute minimum the negative disqualifications that may limit or restrict a member's right so to do.

In so doing, I should say that there seems to be no question that the Speaker enjoys discretion in allowing a question and certainly in allowing a supplementary. I think it is also important to begin with the rather wide latitude of discretion that is given ministers to whom questions are put. The fact is that ministers are able to make an answer, of course. They may also defer a question for further consideration or take it as notice. Ministers are able to make an explanation if for some reason they are unable to make an answer at that moment; or, finally, they may say nothing.

It therefore seems to me that any basic principle governing the question period ought to be such that it will enable members to put questions with a minimum of interference. In examining the many precedents, I feel that the principle can best be stated as follows: a brief question seeking information about an important matter of some urgency which falls within the administrative responsibility of the government or of the specific minister to whom it is addressed is in order. This statement bears some explanation. First, it must be a question. That seems to be too self-evident to be worth consideration. However, the fact of the matter is that that statement is put right at the beginning because it opposes such things as expressions of opinion, representations, argumentation or debate.

Second, the question must be brief. There can be no doubt that the greatest enemy of the question period is the member who offends this most important principle. In putting the original question on any subject, a member may require an explanatory remark, but there is no reason for such a preamble to exceed one carefully drawn sentence. It is my proposal to ask all hon. members to pay close attention to this admonition and to bring them to order if they fail to do so. It bears repeating that the long preamble or long question takes an unfair share of the time, and invariably, in provoking the same kind of response, only compounds the difficulty.

Replies ought to be subject to precisely the same admonition. On the subject of supplementaries, I again suggest to hon. members the adoption of a practice which recently was suggested by one of our provincial colleagues which is, if and when supplementary questions are allowed, there ought to be no need whatsoever for any preamble. The supplementary question is a follow-up device flowing from the response, and ought to be a precise question put directly and immediately to the minister, without any further statement.

Third, the question ought to seek information, and therefore cannot be based upon a hypothesis, it cannot seek an opinion either legal or otherwise, and must not suggest its own answer, be argumentative or make a representation.

Fourth, it ought to be on an important matter which, again, is self-evident but it is stressed here in order to rule out frivolous questions.

Fifth, the matter ought to be of some urgency. This is not included to intend in any way to be similar to those questions of urgency which are included within the Standing Orders surrounding special debates. It is here only to stress the fact that there must be some present value in seeking the information during the question period, as opposed to seeking it through the order paper or through correspondence with the minister or the department.

The fact that questions on the order paper also have been changed in the experimental order to daily responses, I am sure, is to all hon. members an indication of the good will and good intentions of the government in making more prompt answers to the questions on the order paper. If the government will do so, undoubtedly this will have a beneficial effect on the conduct of the oral question period.

At the same time, it goes without saying that the vexatious or frivolous use of the right of putting questions on the order paper by way of putting questions which do not seek the kind of information which can be available within a reasonable time, reasonable effort and expense, seems to me to be only a waste of the time of the House and to invite the government to use the excuse that it would take too long or cost too much money to make replies. In other words, a serious and conscientious atti-

tude on both sides about the use of the order paper for information will certainly go a long way toward improving the oral question period.

Sixth, a question must be within the administrative responsibility of the government or the minister. Obviously, the government in general cannot be responsible for those areas which are beyond its own administrative responsibility. Furthermore, the minister to whom the question is directed is responsible to the House for his ministry; that is, his present ministry. He is responsible to the limits of that ministry, but not beyond that. In this regard I find no reason to change the earlier decision I made in respect of the capacities which ministers enjoyed in previously-held portfolios.

It seems to me that a question which conforms with this basic principle ought not to be interfered with without clear reason. One or two are well known. Obviously, the question must adhere to the proprieties of the House in respect of inference, imputing motives or casting aspersions upon persons within the House, or out of it for that matter, but this is no more a rule of decorum in the question period than it is out of it. The same rules surround polite language and things of that nature.

There is a clear precedent that if a question has previously been answered, it ought not to be asked again. A question cannot deal with a matter that is before a court. Those are clear restrictions. There are three others which seems to me lend themselves to some confusion. I may be able to clarify them, but I am not sure. The first deals with statements made by ministers outside the House. This, it seems to me, is a matter of form rather than one of substance, for indeed if a question otherwise conforms with the principles I have set out, then it ought not to be disqualified simply because in its preamble some reference is made to a minister or a statement made by a minister somewhere other than here.

For the life of me, I cannot understand why in the case of a valid question a member would want to tie it to a statement made outside the House and therefore risk having it disqualified, when in fact the simple device is to put the question directly without any reference to the statement. Second is the question which seeks an opinion about government policy. The whole area of government policy seems to be one of general confusion.

An hon. Member: Right on.

Some hon. Members: Hear, hear!

Mr. Speaker: What I failed to say was, the whole area of questions about government policy. There have been restrictions related to questions about government policy. It seems to me that a question which seeks an opinion about government policy probably is out of order because it seeks an opinion rather than information. A question which seeks a general statement of government policy may be out of order because it requires the kind of long answer that ought to be given on statements during motions or in debate. But this is the kind of qualification which is referred to in the statement of principle. Otherwise, it seems to me that every question that is asked and answered and which has been held in order for as long as the question period goes back, has in one way or another a connection with government policy.

The third area of confusion is in respect of anticipating orders of the day. It is a restriction that is not well understood. If I might express it in my own terms, it simply means that if the subject of debate for today concerns, for example, housing policy, then questions on housing policy ought not to be taken during the question period. That simply, it seems to me, has obvious reference to the currency or importance of the question being taken at that time rather than at some other time.

Similarly, if a special debate has been ordered for later in the day because obviously the topic is very important and very topical, the proper course would be for the Chair to defer questions until that debate is on, rather than to permit them during the question period.

Beyond that, I think a word should be said about points of order and questions of privilege. One of the most significant features of our experimental order is the suggestion to the Chair that points of order and questions of privilege be deferred until three o'clock. I say this is most significant because it is obvious by an expression of the consensus of hon. members that those who prolong their share of the question period by arguing points of order and questions of privilege are really doing nothing more than extending the time that has already been granted to them to put questions. There is no need for a full exposé of questions of privilege and points of order.

● (1510)

Suffice it to say that for the purpose of the question period all hon. members know, and know well, that complaints about the failure of a minister to give an answer, about the quality of the answer that any minister has given, or about discrepancies in answers given by different ministers or by the same minister on different occasions may be valid comments for debate at the appropriate time, but do not by any stretch of the rules constitute a question of privilege or a point of order. Even in handling these matters when they are deferred until three o'clock, it seems to me to be in the best interests of the House, unless a member is able to establish at the beginning when addressing himself to these points that he has a point of order or question of privilege that has some basis in procedure other than a mere complaint of that sort, to discourage members from raising such complaints at the start.

Finally, I should like to add, in respect of hon. members' rights about questions which they feel have not been adequately dealt with during the question period, that there is provision for an adjournment debate. Consideration may be given by the committee to expanding that; certainly it has been recently considered. In any case, it is an excellent way for members who feel that the answer has been too brief or that they have not had the opportunity to fully develop a question, to seek to raise it again in the "late show."

After six sitting days under the experimental order, there can be no doubt that it has been successful, but in my view the success is attributable, as it always is, not so much to the rules themselves or to the power or discretion of the Chair but, rather, to the attitude of members of the

House. It is not possible to say too much about the importance of this, because when members in their questions and ministers in their replies choose to abide by these principles that I have tried to set out here, the question period runs smoothly, with maximum participation. On the other hand, when members or ministers choose to disregard these principles, they can be called to order by the Chair but the question period cannot be saved from the damage that has been done to it.

In the first six days it has been obvious that members have looked upon this experiment with a positive and conscientious attitude which, if it continues, will assure that this very worth-while experiment will become a permanent Standing Order. My authority is simply an expression of the desire of members that the proceedings run well and have maximum value, but I am sure members understand very clearly that the less the Chair is called upon to interfere in the proceedings, the better.

With those remarks, I can only conclude that again this is a point of discussion and I would be more than pleased to appear before the Standing Committee on Procedure and Organization and discuss these points with hon. members, who may be interested in doing so at the earliest opportunity.

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THE LATE THOMAS ALEXANDER CRERAR

TRIBUTES TO DECEASED SENATOR AND FORMER MINISTER

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, particularly after your statement on the rules I do not wish to abuse the time of the House or the rules themselves, but I would ask for the indulgence of the House to pay tribute to the senior member of Canada's Privy Council, namely, Thomas Alexander Crerar, who passed away on the weekend at the age of 98. He was a giant figure in the political development of Canada during the initial, turbulent decades of this century. In him, western Canada enjoyed one of its most dedicated spokesman and one who always used the language of unity rather than of divisiveness or alienation.

[*Translation*]

Senator Crerar was an essentially progressive spirit and our country owes much to the generosity with which he served the political scene in general and his government in particular. I am certain that all hon. members will join me in expressing our sincere condolences to his family.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to associate myself and the members of my party with the warm tribute that the right hon. Prime Minister (Mr. Trudeau) has paid to the hon. Senator Crerar. He had a very long and distinguished career in the public life of this country. Clearly, he was a man with strong convictions, a man of high principle, a man who regarded his own principles and his duty to the country as going beyond party loyalties, a man who associated himself with a union government under a Conservative prime minister at the time of the First World War, a man who associated himself with the progressive movement in the 1920s and a man who later served with distinction as a minister in the Liberal government under the Right Hon. Mackenzie King.

Obviously, he was a man with a great sense of public duty, a man who lived a long life and who maintained through that long life a very active interest in public questions, and strong views which he expressed with great force and conviction.

I should like to join the Prime Minister in extending our sympathy to the members of Senator Crerar's family.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of the New Democratic Party I should like to join the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Stanfield) in paying respect to the memory of the late Senator Thomas A. Crerar. As the Prime Minister has so well put it, he was one of those to whom we must refer as a giant in the political history of this country. There are three of us in this House—the right hon. member for Prince Albert (Mr. Diefenbaker), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and I—who remember him in the House as a cabinet minister during the Second World War. We know from our history that he was also a cabinet minister in the House during the First World War, when none of the three of us was here.

To have a career that included entering parliament in 1917 at the age of 41, and to be in the Senate until 1966 at the age of 90—a total of 49 years, with only five of them spent out of parliament—is indeed a distinguished career.

There were times when some of us felt that the late Senator Crerar was not as progressive or as liberal as we wanted him to be, certainly in economic terms, but his adherence to the defence of civil liberties and his devotion to the principles in which he believed were very clear.

We join in paying respect to his memory and in expressing our sympathy to Mrs. Naylor, his daughter, and to all those who were close to him.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, on behalf of the members of my party, I join my colleagues to give homage to hon. Senator Crerar. I did not have the honour or the privilege to know personally this important Canadian, but I had the opportunity to follow his activities when he was a minister in the King cabinet.

I believe that Senator Crerar served his country according to the dictates of his conscience. On behalf of my party, I offer our most sincere condolences to his family.

● (1520)

AUDITOR GENERAL

TABLING OF REPORT OF INDEPENDENT REVIEW COMMITTEE

Hon. John N. Turner (Minister of Finance): I should like to lay on the table a copy of the report in both official languages, of the Independent Review committee on the office of the Auditor General of Canada, dated March, 1975.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following

questions will be answered today: Nos. 1,243, 1,272, 1,352, 1,857, 1,862, 1,932, 1,946, 1,951, 1,964, 1,966, 1,972, 1,990, 1,997, 2,002 and 2,172.

If questions Nos. 883, 1,199 and 2,018 could be made orders for return, these returns would be tabled immediately.

I ask that question No. 722 be made an order for return and also seek the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

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

[*Text*]

UIC—PERCENTAGE OF CLAIMANTS DISCHARGED FROM JOBS

Question No. 1,243—Mr. Herbert:

Of those registering for unemployment insurance benefits (a) what percentage have been fired from their employment for cause (b) what is the average period that such persons draw benefits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) For the year 1974, the percentage of those who were disqualified for being discharged for misconduct (i.e. fired from their job) of all claims established in that time period was 1.6 per cent. (b) Information not available.

UIC—PERCENTAGE OF CLAIMANTS WHO VOLUNTARILY LEFT THEIR JOBS

Question No. 1,272—Mr. Herbert:

From the most recent statistics, what percentage of those drawing unemployment insurance benefits voluntarily left their employment and, of this group (a) what is the average period during which payments are made (b) what percentage have their payments terminated, for any reason, before the expiration of the maximum term during which they would have been eligible for benefits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): For the year 1974 those who received a disqualification for voluntarily leaving their employment was approximately 13 per cent of all those establishing a claim in that year. (a) Information not available. (b) Information not available.

PRIME MINISTER'S OFFICIAL RESIDENCE—CONTENTS PURCHASED

Question No. 1,352—Mr. Cossitt:

Since the date of the answer to Question No. 2,599 of the First Session of the 29th Parliament setting forth items of furniture, fittings, fixtures or contents of any kind whatsoever purchased for the Prime Minister's official residence in Ottawa, what is the itemized list of all additional items purchased and the cost thereof?

Hon. C. M. Drury (Minister of Public Works): Since the date of the answer to question No. 2,599, which listed items purchased up to July 31, 1973, included herewith is a list of items purchased from August 1, 1973 to December 31, 1974.

August 1, 1973—March 31, 1974

4	Venetian blinds (Coquille)	$ 237.30
8	Soup bowls	38.08
8	Dessert bowls	25.28
2	Cups	8.96
24	Facette glasses	150.00
3	Candlesticks and candles	43.90
1	Bowl	15.95
1	Flame cream and sugar	19.50
1	Vase	13.95
1	Grill pan	15.95
1	Pancake pan	9.95
36	Tea Towels	71.28
17	Face cloths	29.84
8	Cups	35.84
2	Saucers	16.50
6	Bread and butter plates	16.50
6	Salad plates	34.40
5	Dinner plates	44.40
1	Beverage server	21.50
	Various dishes	44.48
1	P.G. grille 18" x 5"	30.50
1	Bronze lamp	117.60
2	Sheets 108" x 115"	69.50
	Pair 18th Century American Brass Andirons	450.00
	Carpets	1,159.77
1	Beogram 3000 turntable	319.00
1	Zenith 20" colour TV	650.00
1	Vase	16.50
1	Nutone food centre	205.85
1	Antique French Bergère circa 1820	950.00
2	Antique French armchairs circa 1830	1,251.00
1	Antique French directoral bergère	1,100.00
1	Antique Regency chair	331.00
1	Bronze cocktail table	196.47
1	Clear cocktail table	219.11
2	Late 18th Century English elbow chairs	595.00
1	Sofa	740.00
2	Loveseats	1,240.00
2	Chairs	644.00
1	Sesann 3 seat sofa	1,055.00
2	Sesann arm chairs	1,210.00
	Chinaware	485.25
134	Yards of Oyster Silk fabric	1,965.17
10	Yards of embroidery	446.50
19	Yards of herringbone velvet	798.00
4	Yards linen chenille	148.00
32	Yards linen corduroy velvet	957.60
3	Vinyl link mats	435.61
1	Antique Georgian chandelier circa 1790	3,000.00
2	Elda chairs	2,052.00
12	Pairs of candles	13.30
	Linen	133.75
	Drapes	344.95
2	Outdoor chaises lounge	252.57
4	Pails	25.92
	Jars	7.84
	Linen	186.90
30	Yards Velours Ariana	720.00
3.3	Yards Mirepoix creme	65.00
	Linen	374.20
	Linen	129.90
	Kitchen utensils	19.45
12	Dozen candles	90.00
2	Carpets	210.00

Order Paper Questions

August 1, 1973 –March 31, 1974	
12 Coasters	84.00
4 Dishes	20.00
Carpets	4,456.07
1 Laundramat	337.50
1 Dryer	237.50
1 Pair of French iron fire dogs	274.65
1 Acrylic plexiglass shelf	207.20
Chinaware	271.51
2 End Tables	964.00
12 Dozen classic candles	115.20
1 Oak Chair	142.27
1 Pelee desk	1,618.00
Expenditures to March 31, 1974	$34,924.67
1974-1975	
4 Humidaire	469.00
Linen	163.27
1 Kettle	10.95
1 Salad dryer	12.95
1 Teapot	4.50
1 Icebucket	11.50
1 Instant brewer	12.95
Super Venus Mappa	54.52
1 Cooey Chrome stool	33.40
1 Humidaire	91.85
1 Braun TG 1000/4 black Stereo	812.00
2 Braun L810 Speakers	560.00
1 20" Electrohome colour TV	579.95
12 Dozen classic candles	100.80
1 Avlenti marble coffee table	628.00
Expenditures to December 31, 1974	$ 3,545.64

AGRICULTURE—EXOTIC BREEDS OF CATTLE

Question No. 1,857—Mr. Herbert:

Does the Department of Agriculture keep records of the exotic breeds of cattle exported by (a) individuals (b) partnerships (c) cooperatives or corporations and, if so, what are (i) the names and addresses of the individuals, partnerships, cooperatives or corporations who received permits in 1974 (ii) the number of permits in each instance (iii) how many permits did each receive in the previous years 1970-73 inclusive?

Hon. E. F. Whelan (Minister of Agriculture): The Department of Agriculture does not maintain lists of the cattle of the exotic breeds which have been exported. Purebred cattle that have been imported into Canada through a Canadian or Canadian controlled quarantine station are under export control. Excepted from this control are cattle of the following breeds: Ayrshire, Aberdeen Angus, Gallway, Guernsey, Hereford, Highland, Holstein-Friesian, Jersey, Lincoln Red, Shorthorn, South Devon, Red Poll, Welsh Blacks. These controls are affected under the authority of the Export and Import Permits Act which is administered by the Department of Industry, Trade and Commerce. Those classes of animals subject to these controls must be accompanied by an export permit issued by that department. While the applications for these permits are referred to the Department of Agriculture for advice as to the eligibility of the animals listed, the exports permits are issued by the Department of Industry, Trade and Commerce and the records of such permits are maintained by them. Any records of the export of the "exotic" breeds which are not subject to control are maintained by the breed association concerned.

[Mr. Drury.]

SILVESTRO CAROLLO

Question No. 1,862—Mr. Cossitt:

1. Did Silvestro Carollo enter Canada on or about February 14, 1970 and, if not, on what date did he enter Canada?

2. Has the RCMP ever conducted an investigation in regard to this person and, if so (a) on what dates (b) for what reasons (c) what were the details of the investigation?

3. What are the names of all persons who at any time made representations to the government on behalf of this person for purposes of his admission to Canada or for any other purpose and, in each case, what are the details of such representations?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Manpower and Immigration and the Solicitor General as follows: 1. Silvestro Carollo, also known as Sylvestro Carollo, arrived in Canada on February 14, 1970.

2. An investigation was conducted on one Sylvestro Carollo (born June 17, 1896). (a) 1970. (b) News reports indicated he had illegally entered the United States through Canada. (c) A person by the same name arrived in Montreal on February 14, 1970. On February 15, 1970, he flew from Montreal to Windsor, Ontario. When or how he entered the United States has not been determined.

3. The Department of Manpower and Immigration has no record of any representations made to the government on behalf of Silvestro Carollo.

AGRICULTURE—SHORTAGE OF VETERINARY DOCTORS

Question No. 1,932—Mr. Mitges:

1. Is there a shortage of veterinary doctors in the Health of Animals Branch of the Department of Agriculture?

2. What is the length of the course leading to the degree of D.V.M.?

3. What is the starting salary for a veterinarian employed by the Health of Animals Branch?

4. What is the maximum salary a veterinarian could aspire to in the Department, excluding the positions of Veterinary Director General, Director of the Meat Inspection Division and Director of the Infectious and Contagious Disease Division?

5. How many years of service would it take a veterinarian in the Health of Animals Branch to reach this salary, providing his work has been satisfactory?

6. What are the requirements, academic or otherwise, for a person to be employed as a primary products inspector in the Department?

7. What is the (a) starting salary (b) maximum salary for a primary products inspector as of April 1, 1975?

8. How many years of service would it take a primary products inspector to reach his maximum, providing his work has been satisfactory?

9. (a) What are the requirements of the Capital Assistance Programme for students taking veterinary science (b) is this Programme to be expanded?

10. Are there plans for the establishment of a new veterinary college in Canada and, if so, in what location?

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

2. Six years, after senior matriculation or the equivalent.

3. $14,251.

4. $30,041.

5. Variable, depending upon opportunities, mobility and performance.

6. Grade 12 (Ontario) completion or its equivalent.

7. (a) $10,041. (b) $19,113.

8. Variable, depending upon opportunities, mobility and performance.

9. (a) There is no capital assistance programme for students per se. There has been a capital assistance to the three veterinary schools which has allowed the enrollment to be increased from 45 to 90 students at the Western College of Veterinary Medicine from 60 to 120 students at the Ontario Veterinary College, and from 35 to 70 students at St-Hyacinthe. This measure has provided more opportunities for students to take veterinary science. (b) There is no student assistance program for expansion.

10. There are no definite plans for th establishment of a new veterinary college in Canada. The matter is under review and it is possible that a forth veterinary college could be established, possibly in the Maritimes.

PRESS RELEASE—SECURITY OF PRESENT SYSTEM FOR TENDERS

Question No. 1,946—**Mr. Reynolds:**

Did the Minister of Supply and Services issue a press release dated December 1973, in which it was stated the "high security" of the present system for tenders under $10,000 will be maintained and, if so (a) what are the terms of reference inferred in the remark (b) what is the "high security"?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The following excerpt is from a statement made by the Minister of Supply and Services in the House of Commons on December 19, 1973: "In any event, for tenders whose anticipated value is likely to be under $10,000, the present highly secure system which has stood the test of time for upwards of 30 years will continue with as many improvements as we can make to it." The statement in the House of Commons was summarized in a press release dated the same day. That release read as follows: "For tenders under $10,000," said Mr. Goyer, "the high security of the present system had stood the test of some 30 years and, with some improvements, will continue." The "highly secure system" referred to in these statements sets out precise procedures to be followed to ensure that the confidential nature of individual suppliers' tenders is preserved and that all suppliers are treated fairly, regardless of the type or value of the particular requirement.

NATIONAL DEFENCE—CONTRACT WITH AIR CANADA FOR PASSENGER RESERVATION SERVICES

Question No. 1,951—**Mr. Reynolds:**

1. Has the Department of National Defence signed a contract with Air Canada for passenger reservation services on the Air Canada computer at a cost of $1,866,662 and, if so, how many passengers travelled on Armed Services aircraft in 1974?

2. What percentage of the capacity of the aircraft seats available is this amount?

Hon. James Richardson (Minister of National Defence): 1. Yes. The number of passengers who travelled on Armed Services aircraft in 1974 was 260,000.

2. 77 per cent.

SUPPLY AND SERVICES—CONTRACT TO FAIRVIEW INDUSTRIAL ENGINEERING

Question No. 1,964—**Mr. Reynolds:**

1. Was a contract awarded to Fairview Industrial Engineering, Armdale, Nova Scotia for $160,315 on November 29, 1974?

2. What was the purpose of the contract?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Department of Supply and Services is concerned: 1. Yes, however the contract was issued October 17, 1974. The news release of award of contract was dated November 29, 1974.

2. To furnish all plant labour, materials and equipment required to supply and install a casting platform, and to perform all work connected with the removal of machine shop equipments from existing locations and for its installation in a centralized location in building D108, HMC *Dockyard*, CFB Halifax, Nova Scotia, in strict accordance with DND specifications and drawings.

SUPPLY AND SERVICES—PURCHASE OF AIR MATTRESSES

Question No. 1,966—**Mr. Reynolds:**

1. Does the government purchase top quality air mattresses at a price of $44.20 and, if so (a) are such mattresses available at lower prices (b) what benefit makes such expenditure justifiable?

2. Does the Department of Supply and Services rely on a single supplier or do they request tenders for the item?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned: 1. The price for the most recent purchase was $48.66 each, f.o.b. manufacturer's plant. (a) No. (b) This is a highly specialized, lightweight air mattress carried in arctic kits. The mattress has special features such as special valves, vulcanized joints, and an integral inflating device that excludes moisture. Failure of the mattress to operate effectively could result in the user freezing to death.

2. A great deal of effort was made to interest potential suppliers to manufacture this special mattress but without success. Only one response was received to a number of invitations to tender. Tenders will be requested for subsequent purchases and attempts will continue to interest other qualified manufacturers to bid.

SUPPLY AND SERVICES—CONTRACT FOR FIRE EXTINGUISHING FOAM

Question No. 1,972—**Mr. Reynolds:**

1. Was a contract awarded by the Department of Supply and Services on June 18, 1974 to Laurentian Concentrates Ltd., Ottawa, Ontario for 118,570 gallons of liquid concentrate fire extinguishing foam at a cost of $513,498?

2. Was the contract put to tender?

3. What were the names of other companies tendering and what were the bids received?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned: 1. Yes, except the date of contract was June 3, 1974; the news release was dated June 18, 1974.

2. No. The foam is a "qualified product" and manufactured in accordance with Canadian Government Specification Board Specification 28-GP-28. Laurentian Concentrates Limited is the only Canadian manufacturer for this particular type of foam and holds qualification approval to the governing specification. The contract was negotiated following a cost analysis by DSS of the company's pricing structure.

3. Not applicable.

SUPPLY AND SERVICES—CONTRACT FOR HAY

Question No. 1,990—**Mr. Reynolds:**

1. Was a contract awarded by the Department of Supply and Services in September 1973 to Lynn Reid, Alberta for a quantity of hay?

2. For what department was this purchase made and for what reason?

3. What was the cost?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Department of Indian Affairs and Northern Development. Feed for horses, deer and buffalo in the Banff National Park.

3. $10,900.

SUPPLY AND SERVICES—COST OF MATERIALS HANDLING

Question No. 1,997—**Mr. Reynolds:**

1. How many dollars were spent by the Department of Supply and Services in the last fiscal year for employees responsible for materials handling?

2. What is the approximate number of persons working in this area?

3. What is the dollar value of inventory items in the Department's warehouses?

4. How many dollars in stock were issued in the last fiscal year?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned: 1. $2,316,000 in fiscal year 1973-74. This covers the whole range of material handling functions within the stocked item supply activity.

2. 270 man-years was expended in support of the stocked item supply activity in fiscal year 1973-74.

3. $7,521,000 as of March 31, 1974.

4. $29 million for fiscal year 1973-74.

SUPPLY AND SERVICES—CONTRACT FOR TURBINE FUEL

Question No. 2,002—**Mr. Reynolds:**

1. Was a contract awarded to Imperial Oil, Ottawa, Ontario for the supply of approximately 17,500,000 gallons of turbine fuel at a cost of $5,584,032 during the third week of May 1974?

2. For that same week was a contract awarded to British Petroleum Montreal for the supply of approximately 13,000,000 gallons of turbine fuel valued at $5,559,100?

3. Was the fuel (a) under Part 1 to be delivered to British Columbia, Alberta, Saskatchewan and Manitoba (b) under Part 2 to be shipped solely to CFB Bagotville?

4. For what reason was Imperial Oil not contracted at the same per gallon price for fuels to be shipped to CFB Bagotville?

[Mr. Reynolds.]

5. In co-ordinating the purchase effort, can the Minister of Supply and Services explain his policy vis-à-vis the attainment of aviation fuel?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned: 1. A contract in the amount of $5,584,832 was issued to Imperial Oil Limited on May 3, 1974 for the supply of an estimated 15,663,375 gallons of turbine fuel, and 1,700,000 gallons of grade 115/145 aviation gasoline. The news release covering the award of this contract was dated May 16, 1974.

2. The contract to British Petroleum Canada for 13 million gallons of aviation turbine fuel was issued May 3, 1974 in the amount of $5,599,100. The value of the contract as shown in the English language version of the news release is in error. The correct figure appears in the French language version.

3. (a) Yes; (b) Yes.

4. Imperial Oil Limited was invited to tender for the supply of aviation turbine fuel for CFB Bagotville but declined because they were not in a position to quote on this requirement. The price per gallon of fuel varies with the destination and depends on such factors as transportation costs and method of delivery.

5. Competitive tenders are invited by geographical areas from all firms considered to be in a position to supply. On any annual requirements in excess of 500,000 gallons bids are invited on an f.o.b. refinery and f.o.b. destination basis in order that the transportation cost may be assessed. National Defence requirements usually require delivery of fuel to on-base bulk storage facilities on a call-up basis. Ministry of Transport requirements are for delivery on an into-plane basis. Tenders are invited and competitive bids obtained. Air crews present a company credit card to obtain delivery of fuel at the contracted price. A similar arrangement applies for RCMP and National Research Council aircraft.

RIDEAU CANAL

Question No. 2,172—**Mr. Cossitt:**

1. Does the government have plans to proceed with further mechanization of lock facilities on the Rideau Canal and, if so, what are such plans including (a) estimated costs involved (b) locations where work will be done (c) dates on which such work will commence?

2. Will the government take steps to see that the historic nature of the Rideau Canal is not destroyed in any way and, if so, what are all such steps?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. No.

2. Yes, by preservation and restoration of existing structures.

QUESTIONS PASSED AS ORDERS FOR RETURNS

REORGANIZATION IN ADMINISTRATIVE STRUCTURE OF GOVERNMENT DEPARTMENTS

Question No. 722—**Mr. Dinsdale:**

1. Which departments have been, or are being, re-organized in administrative structure to place greater responsibility into the district offices?

2. In each department so decentralized or re-organized, what is the present number of staff in total who are in the salary brackets (a) over $35,000 per year (b) between $25,000 and $35,000 per year (c) between $20,000 and $25,000 per year?

3. In each department so decentralized or re-organized, what was the number of staff in total before the re-organizing or decentralization who were in the salary brackets (a) over $35,000 per year (b) between $25,000 and $35,000 per year (c) between $20,000 and $25,000 per year?

4. In departments presently in the process of decentralization or re-organization, what was the number of staff in total on January 1, 1974 in the salary brackets (a) over $35,000 per year (b) between $25,000 and $35,000 per year (c) between $20,000 and $25,000 per year?

5. What is estimated to be the number of each category on January 1, 1976?

Return tabled.

NEWFOUNDLAND BROADCASTING CORPORATION

Question No. 883—**Mr. Nowlan:**

1. As of July 6, 1968 (a) who were the shareholders of the Newfoundland Broadcasting Company Limited (b) how was the share capital distributed (c) has there been any change in share ownership (d) what were the media holdings of the Company (e) where were the radio and television outlets located?

2. By year, what changes have occurred in the holdings of Newfoundland Broadcasting Company Limited since July 6, 1968 and, in particular (a) what new licences have been granted (b) what licences have been cancelled (c) how many successful applications for a power increase to an existing licence were made, where were they granted and what was the nature of the increase?

3. Since July 6, 1968, by year, amount and department, what contracts did and does Newfoundland Broadcasting Company Limited have with the government?

Return tabled.

INCOME TAX PAID TO GOVERNMENT BY CORPORATIONS AND INDIVIDUALS

Question No. 1,199—**Mr. Korchinski:**

1. In the past five years, by province, how much income tax was paid to the government (a) by corporations (b) by individuals?

2. What was the population of each province as recorded in the last census?

Return tabled.

DEPARTMENT OF SUPPLY AND SERVICES—CONTRACT FORMS

Question No. 2,018—**Mr. Reynolds:**

1. Does the Department of Supply and Services have a standard purchase contract?

2. Does the purchasing contract use standard wording to place the onus for a possible patent infringement on the supplier and to absolve the government from any responsibility in this respect?

3. Will the Minister provide a sample copy of blank contract forms?

Return tabled.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

[*Translation*]

The House resumed, from Monday, December 9, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Laniel in the chair.

[*English*]

On clause 2—*Definitions.*

The Chairman: When the committee rose on Monday, December 9, clause 2 of the bill was under consideration. Shall clause 2 carry?

Mr. Baldwin: Mr. Chairman, we have some slight reservations and there are a few remarks we want to make, but I wonder if the minister is prepared at this time to bring us up to date on what has happened with regard to the other issues dealt with in this bill.

Members of the committee will recall that as a result of an arrangement worked out, it was agreed that discussion on the bill would be postponed subject to certain arrangements which were then entered into with regard to the continued imposition of the export tax and the right of the government to make compensation in parts of the country to bring about general equalization. Since then we have had a federal-provincial conference and there have been some changes in the world; much oil and gas has flowed through the pipelines and some gas has been found elsewhere. I wonder if the minister would like to make a preliminary statement to bring us up to date, so far as he is able, on the conference, he views and what is likely to happen in the government's opinion.

Mr. Macdonald (Rosedale): Mr. Chairman, as the committee may recall, the purposes of the bill are really three fold. It is to provide a legislative base for the export charge which has been used for the purpose of funding the compensation program. The compensation program paid in a relatively small amount to users in British Columbia and a more substantial amount to users in Quebec and the east in order to keep the international price at about $5 below the world price and, in effect, to carry out the government's undertaking to establish a single national price, subject only to differences for transportation costs, at a figure substantially below the world price. The bill does that by providing for the export charge, if I may say so, not just in relation to the current period but also for the several forms that charge took from back into 1974 as the charge was increased with the increase in international oil prices.

The second aspect of the bill is to authorize the payment of compensation. Under that particular heading it sets up an administration whereby the government, and particularly the energy supplies allocation board, might engage in

monitoring the compensation system to make sure that indeed the claims being made by the importers are based on actual payments they have to make, and to make certain also that they in turn are honouring the lower price in wholesale transactions. Third, the bill is to provide a mechanism for setting the price in Canada initially for oil and subsequently for natural gas.

The bill, or the predecessor to the bill, was first introduced in the spring of 1974. It was reintroduced after the election campaign and after the gas arbitration hearings had been started in the province of Alberta, when it became clear that in order to establish an effective national price it was desirable to take jurisdiction over both natural gas and oil and therefore the subject matter was changed to include gas as well.

With regard to the meeting of first ministers which took place last week and to which the hon. gentleman made reference, as he knows, the government was unable to reach a consensus at the meeting of first ministers on the appropriate level for either the price of oil or the price of natural gas. Therefore, we will have to continue seeking a consensus on this question outside that meeting, of course, and more particularly by way of bilateral discussions with the producing provinces and with the consuming provinces which will, of course, be affected by this legislation.

In terms of timing, I could set out a relatively specific agenda, at least in terms of the order of priorities to be considered. The first of the questions to which we will be giving our attention is with respect to gas export prices. The House will recall that on the basis of a report given by the National Energy Board last year pursuant to regulation 11A of the National Energy Board regulations, the government established the export price of Canadian gas going from Canada into the United States at a $1 level across the board, that is, from the west to the easternmost point of export.

At the same time, it indicated that the board would have under scrutiny the next steps in this regard and that Canada's export customers could expect price increases in due course. The board has indeed scrutinized this question again and has delivered to myself the second report pursuant to regulation 11A. That report will be going before my colleagues within the next several days for their consideration and action. I am anticipating that the government will be making a decision in that regard and that the probable effective day of the decision in that respect will be around August 1.

In the case of the province of Alberta, the decision on gas export prices imposes a certain complication. One of the objectives we will have, through the meetings of my officials within the next several days or a week with Alberta officials, will be to discuss some procedure whereby the proceeds from the increase in export gas prices may be passed back in the first place to the exporters themselves, back to the producing industry, and if possible to achieve an even balance throughout the producing industry so that there can be a cash flow registered to them so they may engage in further exploration and development. In other words, the purpose would be to try to flow the proceeds back to the producing industry on an even basis so that there could be a general incentive to the industry in Alberta. As I say, that is a matter which is of some complexity and it will require fairly extensive technical discussion with the Alberta officials in particular.

[Mr. Macdonald (Rosedale).]

On the second of the issues, in terms of discussions—that of dealing with domestic gas prices—this comes second in time because, as opposed to oil prices, there is now a time constraint with regard to natural gas pricing in Canada. Proceedings under the Alberta arbitration law are now under way that will lead to a possible increase in the price of natural gas to Canadian users on November 1, 1975.

● (1530)

As a result of the discussions at the meetings last week, and in particular as a result of the action of Premier Lougheed and his officials, action has been taken to delay these arbitration proceedings in Alberta so that the further discussions we have referred to between the producing and consuming provinces can take place, in the hope that some agreement might be obtained as to the level of natural gas pricing in Canada both for this year and for years to come. As I said, the premier intervened in that regard with respect to the arbitration proceedings, but, I put it on the record, specifically on the understanding that the November 1 date for a price change would not be altered, and that this will be recognized.

One of the difficult questions to be discussed with the province of Alberta in this regard is the problem of regulatory delay. Unless the purchasing companies, both TransCanada PipeLine and the companies purchasing from it such as Northern and Central Gas, Consumers' Gas and Union Gas, have a certain period of time in which they can be advised in advance of the price increase, then they in turn will have difficulty making application to the appropriate regulatory tribunal, the National Energy Board in the case of TransCanada PipeLines and the Ontario Energy Board in the case of the three distribution companies. So we could be in a situation where the companies are put in serious jeopardy by having a price increase going into effect on November 1 and not being able to recover this increase in the price of gas immediately the price increase is introduced.

While a certain amount of time has been agreed between the federal government and the provincial government, there are active time constraints in operation and it is important that we arrive, if possible, at an early agreement on the appropriate pricing of natural gas in Canada.

There are really two questions involved here in the domestic natural gas situation. The first is the level of natural gas pricing. Certainly for this year—that is, commencing November 1—and also, if possible, as was suggested at the conference, not only for this year but for subsequent years we are trying to determine a procedure to increase the price of natural gas in relation to the price of crude oil.

The second question that we have to deal with is with regard to freeing up additional supplies of gas. The Alberta Energy Resources Conservation Board some two years ago issued to TransCanada PipeLines permits that would allow it to remove from the province of Alberta additional quantities of natural gas to supply the demands of its customers in the consuming provinces, namely, Saskatchewan, Manitoba, Ontario and Quebec. The government of

Alberta, by a policy decision, has chosen not to issue the orders in council authorizing those additional supplies of natural gas until it is satisfied that Alberta gas generally is being sold at satisfactory prices.

Up to the present time, that has not been a major constraint on the gas companies or users in Canada, but there is some anticipation, particularly on the part of TransCanada, that unless further gas supplies are authorized in the relatively near future, there will indeed be a constraint on meeting further Canadian demand for gas during the coming winter. Therefore, we are faced with the risk of shortages this coming winter, not for any practical reasons in the reservoir but because of a political decision taken by the Alberta government.

The position of the government of Canada is that if we can agree on an appropriate level of domestic gas pricing in Canada, then we would be entitled to look to the government of Alberta at the same time to lift its embargo on gas for its traditional customers in the other parts of Canada. The discussions that are going to take place between federal representatives and the provinces will cover both the question of pricing formula and making additional supplies available.

The third of the major questions in regard to domestic oil pricing is one that has a national impact beyond the area in which Canadian oil is used in that it affects all ten provinces. Therefore, any discussions of this kind would not be confined, as the natural gas discussion would be, to the producing province and its four principal customers but would relate to all provinces. There is really no time constraint involved here. For example, there is no fixed date, unlike the November 1 date with respect to natural gas, by which or in advance of which a government decision has to be reached. Indeed, Premier Lougheed has indicated, and he repeated again in a television broadcast this past weekend, that he sees no need from his standpoint for any increase in the oil price while meaningful discussions are taking place in this regard.

Therefore, we will seek to undertake such discussions both with the producers and with the consumers to see whether we can arrive at some agreement that all will find acceptable within the current state of the economy. The Prime Minister has indicated that our effort would be toward continuing to get a consensus, as we attempted to do so at the meeting just past and as we achieved last year. This will be our first objective.

On the other hand, Mr. Chairman, I noticed that Premier Blakeney of Saskatchewan has indicated that he will be seeking a price increase per barrel of $2.50, although in the press report that I saw there was no indication as to the time constraint he was seeking. My hope is that he will withhold action of this kind until we can arrive at some agreement; but under the present state of the law, of course, if he chooses to increase the price there is no action that the federal government can take to prevent it from coming about.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, may I ask a question at this point? Did the ministers agree at the conference last week that the agreement that was reached on May 27 last year regarding $6.50 per barrel would hold until the end of June? Do I take it that no producing province is likely to alter the price prior to the termination date of the voluntary agreement entered into last year?

Mr. Macdonald (Rosedale): I cannot be sure of that, Mr. Chairman. The question really was not narrowed down in this regard. I am not sure what the intention of Saskatchewan is, but I hope it will not be to take any action either prior to the determination of a national consensus or, conversely, until it is certain that no agreement can be arrived at between the consuming and the producing provinces.

The Prime Minister indicated to the premiers, and he repeated again for the public media, that while under this particular bill we are seeking authority from parliament for, in effect, setting a ceiling on prices, a ceiling, in my estimation, somewhat below the increase of $2.50 per barrel that Premier Blakeney referred to, we will not take that authority unless there is a breakdown in the kind of consensus we have arrived at. While we will be seeking the authority under this particular bill to have that right after proclamation, we will not be proclaiming the parts of the bill dealing with the setting of prices of oil and natural gas without agreement until there is failure to come to an agreement by the consensus procedure to which I have referred.

To sum up, in response to the request for the hon. member for Peace River, the discussion will proceed to deal with the export price of gas in regard to which there is perhaps less interprovincial or federal-provincial disagreement than a technical problem to be overcome in redistributing the proceeds. From there we will proceed to the question of natural gas pricing, in regard to which there is a rather sharp difference of opinion between the producing and consuming provinces. We will then move on to the question of oil pricing as the third matter in time, with regard to which there has been rather less insistence on a strict timetable than there has been with the other two questions.

● (1540)

The government, through my officials, through the National Energy Board and, in due course, with the participation of our provincial counterparts, will seek to achieve the kind of agreement to which the Prime Minister referred. If it cannot be achieved, if there is a breakdown in discussions and we find we cannot reach a general agreement which meets the general economic interest and the interest of the producing provinces, then the federal government, as Premier Davis indicated we should, will implement the authority provided by this bill and seek to determine a price for the Canadian market at levels which will be acceptable from the standpoint of the Canadian economy without being unduly unfair to the interests of producing provinces.

Mr. Stanfield: Without being unduly unfair?

Mr. Macdonald (Rosedale): The Leader of the Opposition takes exception to my phrase. I ought to have said that we will take action which will not be unfair to the producing provinces. We hope that the agreement will not break down. If it does, then, as Premier Davis indicated,

the ultimate responsibility for action rests on the federal government. For that reason we seek passage of this bill.

Mr. Baldwin: Mr. Chairman, the minister's statement was informative and useful. I am sure that as debate proceeds we shall be given enough information to enable other people in the country who are deeply involved in this matter to be made fully aware of what is happening in this House. I am not one to write off federal-provincial conferences, but it might be better if some had never been held. However, the most recent conference will, I think, prove useful to the first ministers, the people of Canada and, I believe, to this House. Such conferences provide opportunities for heads of government who have just come through elections to be statesmanlike, and for others who may face the electorate in the near future to be political. This is to be expected, and I do not take exception to it.

Mr. Stanfield: But what about those who have just been elected but are political?

Mr. Baldwin: I come now to the gist of our complaints about this bill. We made it plain when this bill was debated last October and November that we agreed with certain parts of it. The settlement, so to speak, which allowed this bill to be put aside temporarily was made in circumstances which indicated my party's approval of certain aspects of the measure. The present bill, like so many others, contains parts which give rise to concern. We shall indicate our concern and suggest amendments we may feel constrained to move in order to give effect to our objections.

When the bill was debated previously, the hon. member for Qu'Appelle-Moose Mountain put on record several suggested amendments which we may move in the present debate. Because of what the minister just said we may alter some of our amendments, delete some and perhaps add some fresh ones. We will try to make this a better and more effective bill, on behalf of the people of Canada. Governments propose legislation from mixed motives. They keep one eye on politics, another on the economy and sometimes overlook the legality of legislation. I do not say this disparagingly. Legislating, after all, is the responsibility of this House, of this parliament; it is not the responsibility of the government.

In general, the federal government should be the custodian of the aspirations of people of all parts of Canada. To some extent it has retreated from that attitude and tended to ignore minority rights except when the minority is large enough to wield considerable political power. The government has abandoned itself to the pursuit of power, as this bill shows. Here it seeks to gather into the hands of the monolithic Ottawa bureaucracy a massive concentration of authority.

To attain its ends the government sometimes uses methods of excessive secrecy, of delegated authority, or methods which ignore the constitution. I do not think the constitution is deliberately flouted, although I think that the present measure, in part at least, ignores the constitution of this country. People who should know better accept this situation casually. They think it is all right for the government to pull off a little bit of the constitution here and chip a little bit away somewhere else. I suggest that the present measure seeks to give the government more authority than those who drafted the constitution intended it should have. I suggest it is the kind of measure which the courts have said do not fall within the four corners of the competence of the Government of Canada to enact.

I can understand the wish of the government to deal with tough, difficult and contentious problems such as the one it faces. I can understand the minister's wish to take a short-cut, to short-circuit the constitution, as it were, for purposes of expediency. Certainly, the government is in a difficult position. I suggest to members of this committee that our duty is larger than that. This is not a court of law, although in many respects this House is the highest court in the country. This House does not decide alone on the basis of legal argument. We do not expect arguments regarding the constitutional validity of government measures to be decided as if they are being raised in a court of law. We know better. What are made in this House are political decisions. Although a government may realize that a proposal lies outside the constitution, it can force the proposal through the House by virtue of its majority and allow others to challenge its validity in the courts.

That may be the government's position, but it is not a position which I support. That position should not recommend itself to members of this House who, after all, are not only members of parliament but people who represent the rights, privileges and responsibilities of the regions and provinces from which they come. They have that responsibility to carry out in this House.

● (1550)

Under these circumstances it is not good enough for a government ruthlessly to bulldoze legislation through if it contains clauses which offend the constitution of this country. This is not just an academic issue. I strongly believe that federalism in this country has been brought to a higher degree of perfection than in most countries which have the federal system. This particular issue of energy, energy prices and supply and the discussions which have taken place is a good indication of that. There have been some effective and useful discussions which probably could not have taken place in any other federal system than the one we have in Canada.

I suggest that true federalism can only endure when the sovereignty of the several parts is maintained. It is clear from the debates on confederation that our parliament was designed with a view to giving the people of the provinces a realistic opportunity to give voice to their attitudes. The voice of the federal parliament must be that of the whole country, yet consistent with the opportunity to reflect and represent regional positions within the terms of the constitution. If we cannot do that, there is no true federalism.

What we have is a social contract, in the form of a constitution, between the people of the various provinces and the country as a whole, a contract which permits the provincial populations to emphasize their distinctiveness with regard to matters under their jurisdiction, their own peculiar requirements and their potential and need to proceed in the way which they think is most appropriate, socially and economically, while at the same time yielding

for the common good of the nation an adequate share of their resources, skills and commitments.

I think the capacity for diversity and uniqueness which we have had in this country and which has been reflected in the positions taken in this House and in provincial legislatures has made Canada a good place in which to live. I am not prepared to sit idly by while measures are proposed by the government which to some extent and purpose contain good proposals, yet contain other things which in my opinion and in the opinion of a lot of other people fall squarely outside the right of this parliament to enact. That is what I propose to deal with in particular at this time.

We take exception to certain clauses, and I do not intend to debate them seriatim at this time, which purport to give the federal government power to unilaterally establish maximum prices. For example, it states in clause 36:

—establish maximum prices for the various qualities and kinds of crude oil to which this part applies that are produced, extracted or recovered in that province—

Clause 51 gives a similar right with regard to natural gas. I would point out that you cannot read clause 36 without also reading clauses 40 to 43. I feel that I must make reference to those. Without that, it is difficult to lay before the committee the reason why we intend, at the appropriate place, to move an amendment and to explain at this time the reasoning behind that proposal. I realize the amendment cannot be moved until we get to the clause. However, I think it would be useful for the government to know our position now. I quote from the bill:

40. No person shall engage in any transaction that involves

(a) the selling of any crude oil to a person for consumption elsewhere than in the exporting province, . . .

(d) the collecting, gathering, accumulation, mixing or blending of any crude oil for any of the purposes mentioned in paragraphs (a) to (c), or . . .

41. No person shall purchase any crude oil from any person in an exporting province who is not a licensee except when the crude oil is being purchased within that province for consumption therein.

42. No person other than a licensee shall sell any crude oil in an exporting province except when the crude oil is being sold within that province for consumption therein.

That is squarely in conflict with the existing jurisprudence with regard to the rights of the federal parliament. When we were involved in this debate last December I had just received a copy of the decision by Mr. Justice Hughes on a case involving the province of Saskatchewan and an oil company. I had not then had time to peruse the full detail of the reasons for judgment, but I have since had that opportunity. I understand the case is now before the appeal court of that province.

No one can read that case without coming to the conclusion that the very valid and intelligent reasons given by Mr. Justice Hughes, with which I am in complete accord, are squarely in conflict with the powers the federal government is attempting to have this parliament give it by the clauses to which I have referred. Without going into the details of the Saskatchewan case at this time—

Mr. Macdonald (Rosedale): What is the citation, please?

Mr. Baldwin: It is *Canadian Industrial Gas and Oil Limited v. the Government of Saskatchewan and the Attorney General for the province of Saskatchewan.* I regret I am unable to give the full citation. I imagine the minister's officials have studied it with some care. It is a very lengthy judgment. The learned trial judge, in 161 pages, went into considerable detail. He dealt with all the existing constitutional authorities on this, I admit, very difficult and confusing problem of the rights of the federal government with regard to the regulation of trade and commerce.

The case was decided on a statement of facts which included a statement that of the oil recovered in the province of Saskatchewan, approximately 98 per cent was exported. In part the case dealt with the question of whether the royalties and taxes referred to in the regulations were direct or indirect taxes. We have no concern about that. A considerable amount of attention was paid to the fact that what the province proposed to do in fact constituted an imposition of a price mechanism and the fixing of prices of crude petroleum of which 98 per cent was being exported from the province. Mr. Justice Hughes referred to a number of judgments, one of which I shall give to my hon. friend: it was *Carnation Company Limited v. the Quebec Agricultural Marketing Board et al.* I think it is to be found in RSC, chapter 238, 1968.

● (1600)

In the latter case, the province of Quebec had enacted legislation which permitted the establishment of boards to provide for the sale of milk to plants for processing. The facts in that case established that the board had set up a pricing mechanism; it fixed the price at which products were purchased. It was shown that the greatest amount of the milk sold and processed would be exported from the province.

Mr. Justice Hughes, in the Saskatchewan case, referred to that case as well as to others and said it might well happen that because a province enacted statutes affecting the price at which a commodity was sold in the province, interprovincial or international dealings in that commodity would be affected. Nevertheless, if there was no direct intent to exercise some sort of direct control over interprovincial or international trade, the provincial action was valid. It was on the basis of the decision of the Supreme Court of Canada in the Carnation case and some other cases that the learned judge reached his decision. As has been pointed out, the decision has been appealed and it will probably go to the Supreme Court of Canada.

The Chairman: Order, please. I have allowed the hon. member to continue somewhat beyond his time because of the complexity of his argument. Perhaps he would now recognize that his time has expired or else seek the unanimous consent of the committee to continue. Is it agreed that the hon. member may continue?

Some hon. Members: Agreed.

Mr. Baldwin: Thank you, Mr. Chairman. I will try to wind up these remarks within a reasonable length of time. I suggest that if the reasons for the judgment of Mr. Justice Hughes, based on the decision of the Supreme Court in the Quebec case are valid, then the provinces have the right to fix prices in respect of commodities which they export even though the fixing of those prices

affects interprovincial and international trade. The fact that a province has established a price is bound to have an impact, one which will make itself felt when the product comes out at the other end of the pipeline.

Let us see what the situation might be in other important natural resources; for example, in the lumber industry. If the federal parliament has the right to enact legislation such as is proposed in the clauses of Bill C-32 which I have read, and others, what is to prevent the federal government from proposing to parliament that it be allowed to move into British Columbia and say, "We intend to establish a mechanism to set the price of lumber delivered to sawmills, pulpmills, or plywood plants"?

As hon. members are aware, a large proportion of the lumber produced in British Columbia is exported in one form or another. I do not know what the exact percentage is, but it may be as high as 80 per cent. Some of my hon. friends may be able to tell us the figure. But the federal government could say the matter fell squarely within its jurisdiction because it involved the regulation of trade and commerce.

The same attitude could be taken with respect to electrical energy. The government could go to the province of Quebec and say, "You are producing energy, and though you are using a certain amount within the limits of the province, it is your intention, we understand, to export a considerable quantity to the state of New York or elsewhere, and since we are dealing here with a commodity which enters into interprovincial and international trade, we are able to exercise our prerogative and fix the price at which it is delivered in the province."

The minister might, of course, invite me to consider what my own government did when in office—I see he is nodding his head—particularly in connection with the establishment of the National Energy Board. He will no doubt ask, "What about the Export and Import Permits Act, and so on?" Of course, Mr. Chairman, in the crazy-quilt of our constitutional practice these things are possible because of the supremacy of the federal government in the area of trade across interprovincial and, in particular, international boundaries. The jurisdiction of the Canadian Wheat Board is another example.

There are many ways by which the federal government, attaching conditions to the transport or export of commodities interprovincially or internationally, may have a perfect legal right to do things which end up in the event as price fixing or price restraint when the commodity concerned reaches the other end of the pipeline. But what the government is attempting to do here is something entirely different. It is saying, "We can come right into a province and fix the price of a commodity such as crude oil at the source at whatever figure we think to be proper." It is for the people of the province concerned to accept that price, as it is for the people in the rest of Canada to accept it: that is the position the government is taking, as I see it, on the basis of the clauses I have read.

I do not know what is the precise amount of crude oil produced in Alberta which is refined in that province; it may be between 15 and 20 per cent. But certainly, if the federal government is given the unrestricted power referred to in clause 36 and in clauses 40 to 44, the central government will be entitled to move in and fix the price

despite the fact that a considerable percentage of the crude is not to be exported. There is no doubt that the right will be given automatically if this bill is passed in its present form. I will not continue with this point as we will have further opportunity for exchanges with the minister later and he will probably want to meet my arguments. I indicate to him that it is our intention to move amendments in this connection at the appropriate time.

● (1610)

As a precedent, I would refer the minister to section 11 of the Energy Supplies Emergency Act which indicates that this government recognized, in 1973, its limitations in respect of the question of petroleum supplies, because the government inserted in that act the provision that only when the governor in council was of the opinion that a national emergency existed by reason of actual or anticipated shortages of petroleum, or disturbances in the petroleum market that affected or would affect the economic stability of Canada, and that it was necessary in the national interest to conserve the supplies of petroleum products within Canada, the governor in council could, by order, so declare, and then it went on to give the right to allocate supplies. That is a pretty good indication that the government is probably in some doubt as to whether it can go as far as some of these clauses in Bill C-32 would give it the right to go.

Let me conclude at this time on this note. I hope the Prime Minister will in fact be successful in his discussions with the provincial governments in working out this very difficult and controversial matter of arriving at a consensus on price. This happened about a year ago and it could happen again. Perhaps it will not take place right away because of some political factors involved at this time which make it difficult. I have confidence that the Prime Minister will make the attempt, and I hope he will be successful. If he is not, there is an interesting position to be adopted by the federal government, namely, bilateral discussions with the producing provinces through which the federal government will, hopefully, work out an agreement as to price. This will be the subject of an agreement and probably the subject of an order in council.

We have amendments to propose that will make it quite plain that the provincial government in question must in fact be a participant before such an arrangement becomes valid. If that cannot be done because of the difficulties of the problems, it does not fall within the right of parliament to give this authority to the federal government merely because it looks good or is the easy way. Parliament cannot give the Government of Canada a right which parliament does not have the right to give.

I know the minister, the Prime Minister and others have said they will try to work out an agreement, but if they cannot do so then obviously someone must intervene and take the authority to change or establish the price. But that alone is not a good enough authority. In spite of what problems there may be, merely because there is a disagreement which cannot be solved does not permit this government to overlook the positive terms of the constitution by saying that because there has been failure to reach an agreement, as the supreme government it will fix the price, but unless it can precede such an act by a declaration of the kind of emergency the government saw fit to

cover in section 11 of the Energy Supplies Emergency Act, it smacks of constitutional violation.

As long as we have a federal state or a system such as the one we have now, problems of this kind will arise and pose serious questions. It is not good enough, in my view, and I believe in the view of many members of this House, that for that reason alone the Government of Canada can be given the authority which this parliament has not the right to give it, and this is the precise situation we see and will be reflected in the amendments we will be bringing before the House in due course.

Mr. Macdonald (Rosedale): Mr. Chairman, I will undertake to the hon. member for Nanaimo-Cowichan-The Islands to be very brief if I can put my reply on the constitutional question back to back with the hon. gentleman's argument.

The bill being put forward in this respect carries with it the judgment of the Department of Justice that it is, indeed, within the legislative power of the Parliament of Canada to pass this particular enactment. The hon. gentleman raised a question which I suppose is the critical one, and that is whether the Government of Canada can reach into a province and fix a particular price for petroleum. Our response is, as the hon. gentleman indicated, in this particular bill we are not seeking to do so in regard to the use within the province of Alberta, but when the commodity is, or is to be introduced into interprovincial trade, at that point the federal jurisdiction over interprovincial trade takes over and that jurisdiction applies.

Indeed, the hon. gentleman referred to the CIGOL case which is apparently now before the Saskatchewan Court of Appeal. It being sub judice, perhaps I should not comment on it. I really need not do so, in view of the fact the Supreme Court of Canada has decided, in relation to the jurisdiction of the National Energy Board, that the Government of Canada does have jurisdiction to set the price of oil and oil products within a particular province.

In that case it was the national oil policy of the Government of Canada to keep up prices to the consumers of oil in Ontario west of the Ottawa Valley line to a higher level than would otherwise have been the case if competing products from the Montreal refining and marketing area were allowed to be sold west of the Ottawa Valley line. In the CalOil case the Supreme Court of Canada held that it was within the jurisdiction of the Government of Canada to set the price, through the agency adopted there, of oil within the province. This is, of course, a matter of constitutional debate, but I suppose in every one of these cases the Department of Justice obviously feels that on the basis of the CalOil case there is authority to go ahead, as in this particular case.

I should also like to make one other point which I neglected to make earlier. As a result of an examination of the bill by interested governments and a number of interested citizens, amendments have been proposed to the federal government. Copies of these were distributed to members of the House last December. I have additional copies here, if anyone is interested. I have given copies to the hon. member for Qu'Appelle-Moose Mountain, to the hon. member for Nanaimo-Cowichan-The Islands, and to the hon. member for Abitibi. Copies are available, and I would be glad to pass them out.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, the consideration of Bill C-32 regarding a petroleum administration act was set aside for the purpose of waiting until the first ministers' conference had taken place, in order that we might see what measure of agreement was reached by the heads of the various governments in Canada. It appears now that no consensus was reached. The Prime Minister is quoted as having said during his press conference following the first ministers' conference that it was the intention of the Government of Canada to proceed with the passage of this legislation so that under part II of the petroleum administration act the federal government could set the prices of crude oil and natural gas.

When this measure was before the House for second reading, my colleagues supported it because we felt then, as we do now, that if no agreement could be reached between the producing provinces and the Government of Canada, then the federal government must have the authority to set the price, as that is the only way we could have a two-price system in Canada. It is also the only way we can exert some restraint to prevent the prices of oil and gas escalating to unnecessarily high levels.

● (1620)

This does not mean that we necessarily support an increase in the price of crude oil or natural gas. Any decision by the government to raise these prices could well depend upon a number of factors, the major one being who would receive the benefit of such increases in price. But on the question of whether the government should have the legislative authority to exercise this power, which we feel constitutionally it is entitled to have on all commodities which enter into interprovincial or international trade, there can be no doubt.

On the matter of whether the government should raise the price, and if so, by how much, and who would receive the benefit of any increase, is something which we will of course discuss now and on future occasions when a decision is made. I should like to say to the government, however, that I am not sure bilateral discussions with the provinces, now that the first ministers' conference has failed to reach an agreement, can be very useful if the minister is able to lay a loaded gun on the bargaining table and say, in effect, that he has the power to set the price and now they had better agree to an increase in price. I am not sure that is the best way to carry on negotiations or that it will receive the best response from the producing provinces.

I am not pressing the matter, but I suggest to the minister that there might be some value in either holding this bill at third reading until he is convinced there is no possibility whatever of reaching a consensus with the producing provinces and the provinces generally or, as an alternative, that the legislation be passed, if the minister wants it passed quickly, without the mandatory clauses such as clauses 36 and 52 being included. Then he could bring in a separate bill that would amend this legislation later if he should find he is unable to reach a consensus.

I do not know how quickly the minister wants the other powers under this legislation. I imagine he needs them, for instance, in respect of compensation payments. However, he might give some thought to either of the alternatives I have suggested. He could take out the mandatory provisions, pass this legislation quickly and then later introduce a bill some time early in June. If the minister should find he cannot obtain any consensus, this might be a more efficient way to expedite the matter than by putting this bill through in its present form.

If the government has decided to raise the price, then I think there are some points which ought to be clarified. I do not think they were clarified by the minister's opening statement. There is no doubt concerning the government's intentions. The Prime Minister's opening statement to the first ministers' conference contained this comment:

> So my colleagues in the government and I have come reluctantly to believe that the price of oil in Canada must go up—up towards the world price. It need not go all the way up. We should watch what happens to the world price and decide from year to year what we should do. But the price for the year beginning in July will have to be higher than it is now. How much higher we should discuss.

So, the government has made it perfectly clear that it thinks the price should rise. I was a little confused by the statement attributed to the Minister of Energy, Mines and Resources, although the press report may not be accurate, in which he said that it might not be necessary for the federal government unilaterally to set a price if he were convinced that the provinces would not unilaterally set a price. I was not clear about that.

I take it that the government has now committed itself to raising the price of crude oil at the end of June. I take it for granted that between now and the end of June the producing provinces will keep the commitment they made to adhere to the price of $6.50 a barrel until June 30 this year, but we need to know now what will happen at the end of June in the event that the federal government and the producing provinces, or indeed all the provinces, are not able to reach a consensus. If the federal government is committed to raising the price, I think the federal government ought to give to the committee and to the Canadian people generally some idea of what increase it has in mind.

Much is made of Premier Blakeney having talked about an increase of $2.50 a barrel. The minister said he thought it should be something less than that, so I make a guess that the minister probably has in mind $2 a barrel. I think it would be helpful to the general discussion if we were dealing with something reasonably specific. The government does not make clear to the committee whether it endorses the suggestion of Saskatchewan in respect of $2.50 or intends to satisfy Ontario by suggesting $1.50. I realize there must be compromise, and I think the government should give us the target figure it has in mind.

However, from the point of view of this party, whatever the figure is, I hope there will be some explanation from the minister concerning the justification for reaching such a price at the end of June. Certainly, it cannot be on the basis of increased cost of operation. Certainly, it is not because the oil companies are hard up: the profits they have made during the last two years exceed the profits made by any other segment of our economy. In his television broadcast the other night, the minister stressed the fact that there was a need for an increase in price because the oil industry needs more money for exploration.

I agree we would be justified in saying to the people of Canada that they will have to pay more for gasoline, for home heating fuel and for fuel to operate their farm machinery and fishing boats because the extra money they are being charged is to guarantee that they will have the wherewithal to heat their homes and run their cars, tractors and fishing boats ten years from now. However, I am not as optimistic as the minister when, according to press reports, he says he has received the assurance of the oil industry that any extra money it receives will be used for oil exploration. It certainly has not done so in the last few years. The price of oil has increased by about 120 per cent. Profits are at an all-time high, while exploration has gone down. In the last 12 months, 93 drilling rigs have left this country. What assurance do we have that any extra funds given to the oil industry will be used to find oil? It will go to finding oil, but will it go to finding oil in Canada? The multinational corporations will use their cash flow to look for oil in the North Sea, in the Middle East, in Brazil, in Venezuela or anywhere else where they have good opportunities.

● (1630)

If the Canadian people will pay $2 or $2.50 a barrel more than they are paying now—an increase which is totally unnecessary in order to meet operating costs—what assurance will they have that that money will be used in Canada to find oil supplies and additional gas reserves which will be used by the Canadian people? That is the question that the government must make clear to this committee and to the House. There can be no argument at all about any necessity for raising the price of crude oil in this country on any other basis than the fact that we need to find additional supplies for the years ahead.

The only way the Canadian people can be assured that the extra consumer price they pay will result in security of supply in the future is for the government and the producing provinces to control that extra amount of money and to see that it is used for exploration, rather than leaving it to the good intentions and tender mercies of the oil industry.

One of the ways in which the government could make it easier to work out some arrangement with the provinces to reach a consensus—which is what we are all hoping will happen—is for it to be prepared to review the measures with respect to resource taxation which it brought down in the last budget. It may be that the Minister of Finance, when he brings down his budget in the latter part of May, will be prepared to either drop the non-deductibility provision or at least to allow that 50 per cent of the royalties which an oil company or a resource company pays will be deductible for income tax purposes. Certainly, this is one of the areas which would help to bring about the consensus which is so badly needed.

I want to say a few words about the question of natural gas. The Minister of Energy, Mines and Resources, in his opening remarks to the first ministers' conference said the following:

> The National Energy Board has recently completed its hearings and until we have its definitive view it is not possible to speak precisely.

However, there was ample evidence given the board that deliverability from conventional reserves is declining.

That is a matter for considerable concern, and I understand that in the discussions in the first ministers' conference the Minister of Energy, Mines and Resources expressed his concern. I would ask the minister if some time in our discussions he can give us an assurance that this report on the availability of natural gas supplies will be made available to members of the House at an early date. The minister has already stated that the work of the board has been completed. How soon the board will be prepared to release the report, I do not know. I want to ask the minister if he can tell us how soon he expects it to be released, and if we will get copies at the earliest possible date, because I find it increasingly difficult to reconcile some of the estimates made by the National Energy Board with respect to marketable reserves of oil and gas.

For instance, in March of 1973 the joint venture of Dow Chemical and Dome Petroleum asked the National Energy Board for a permit to export some 500 billion cubic feet of ethane per day to the United States, and the board, in granting them permission for this export, pointed out that as of June 30, 1973, our marketable reserves had gone up by 13.8 per cent. In fact, they have gone up from 56.4 trillion cubic feet to 64.2 trillion cubic feet. There have been a number of finds since that time, particularly in northwestern and northeastern Alberta.

I always find it difficult to reconcile the fact that when the National Energy Board is looking at our marketable reserves where an application for a permit to export is concerned, they have a rosy picture of how much marketable reserves are available, but when it comes to making a general survey they seem to be much less optimistic. I for one do not want to see us stampeded, by any fictitious figures with respect to our gas reserves, into policies which in the long run could be harmful for this country.

The other thing I would like to ask the minister concerns prices for the export of natural gas. He pointed out the need for trying to work out a consensus between the producing and consuming provinces regarding the price of natural gas. I can appreciate that, but surely that does not apply to the export price, and it is no secret that we have been exporting natural gas to the United States at prices which are ridiculously low. In some instances we have been exporting natural gas to the United States at prices which are lower than the prices at which we are selling our gas to the consumers of the province of Ontario.

While I know the minister will point out that there are long-term contracts between the Canadian producers and the American gas distributing firms, the fact remains that under section 17 of the National Energy Board Act, that body has the power to amend, alter or rescind any of these export agreements. I have been disturbed for a long time at the tardiness with which the National Energy Board has applied itself to this problem. I do not think we need to wait for a consensus between the various provinces of Canada with respect to an export price, and I would ask the minister if he is urging the National Energy Board to review these export prices; and if they have reviewed them, what action do they intend to take, and how soon can we expect that action to bear fruit?

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member for Nanaimo-Cowichan-The Islands has made a number of points to which I will be glad to respond. The first one concerns the reference that we have laid down a loaded pistol in this bill as a threat for the provinces in question. I suppose I could turn it around and point to statements made by Premier Blakeney such as when he says he is seeking a $2 or a $2.50 increase in price if his energy security fund is not accepted, a proposal which has been rejected by Premier Lougheed.

The power the province has at the moment to set the prices of natural gas and oil is really a loaded gun laid down for the consuming provinces and Canadians generally. I suppose it is really a matter of in whose hands that loaded gun ultimately should be, and I go back to the rather persuasive argument he made, that on the whole, while there should be every effort to balance the regional interests, ultimately it should be the federal government exercising responsibility and, for good or ill, being held responsible.

● (1640)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Time for a disarmament conference.

Mr. Macdonald (Rosedale): It was your colleague's metaphor, not mine, in the first place.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I do not think, however, that the Saskatchewan premier has asked his legislature to give him this kind of power at this particular time. This is a very sensitive time.

Mr. Macdonald (Rosedale): I do not think he has to ask! I think he has it now. He put the assertion that I was necessarily committed to an increase between now and the end of June, and that certainly is not my position. Indeed, I think that in the negotiation of oil prices, in particular, it probably will take longer than that. One of the ultimate possibilities in arriving at prices is that we will not just be talking about a 12-month period. We might be talking about a longer period of time. In order to get the acceptance of the producing provinces, we may talk about price increases a year or two years from now, perhaps on some kind of schedule to deal with the concerns expressed at the conference by consuming provinces that we might not have any price agreement at all in 1975.

The point the Prime Minister made and that I sought to make in my remarks is that over a period of time a price increase is inevitable in this country, both from the standpoint of generating additional funds for exploration and, of course, even more so from the standpoint of equity for the producing provinces of Alberta and Saskatchewan who say that it is not fair that their commodity should be price-controlled when all other commodities being offered for sale are being sold on a wider market. The federal government arrived at this conclusion really because of these arguments of regional equity which have so often been put in this House and outside, and for a non-renewable resource, as pointed out by the hon. member for Peace River, once it goes down the pipe you have no chance at a later date of recovering that price. In that sense and in terms of regional equity, some price increase is indicated.

I couple my response with the comment the hon. member made, that I should name a target figure. It seems to me that would be the quickest way to turn off finally any negotiations if I put a price up there which everyone can shoot at. It seems to me that a far better mode of operation in these negotiations is to talk to them about a variety of figures for this year and subsequent years and some kind of scale of price increases which would at one time meet the objectives of the producing provinces like Saskatchewan and Alberta, and on the other hand taking account of the concerns of all the other provinces which are basically consumers whether from those two provinces or from foreign imports.

I am advised—and this is a matter upon which I would like to have further examination—that an assertion has been put forward in the conference as well as here that there has been a reduction in exploration. That is not correct. Tentative exploration figures for 1974 indicate it has gone up by some $90 million, and it is anticipated that in dollar terms it will go up again. I go on the assumption of the operation of the present tax laws and the impact on a particular corporation. If it moves out from under the tax shelter provided by the last budget, for example, and increases its dividend, this of course would be a disincentive; but as I said at the conference, if we find that there has been movement away from Canadian exploration in favour of exploration elsewhere or applying to other uses outside Canada, then we will indeed seek legislative means to deal with that.

With regard to the natural gas report, I indicated during the course of my remarks that the government had taken the initiative with the board under regulation 11A to seek a report in this regard. The report was made available last year with regard to the price increase, and then on the lion's share of gas for export we put the price up from—I am talking about the TransCanada contract—a border price of 38 cents per 1,000 cubic feet to $1 effective as of January 1 this year. We have a new regulation 11A report which we will also make public in due course—I am now putting it before cabinet—which, as I indicated, will see a further significant increase in price, so that in less than a year we will have seen a very substantial increase in price to our export customers.

The argument put forward by the hon. gentleman and sometimes by others is that with regard to our own countrymen we have to look to a certain phasing and we have an obligation to be reasonable, but with regard to export contracts we do not. Perhaps I am not being fair to the argument of the hon. gentleman, but let me say that this is the argument sometimes put forward, that we have to be careful what we do to our own countrymen but we can really "sock it" to the export consumer by any price increase we want. While we can reasonably expect to put prices up over a period of time, I would argue that it would not be wise to—

Mr. Symes: You are doing it with oil.

Mr. Macdonald (Rosedale): Yes, we are doing it with oil. Those are commodities which were bought on a month to month basis and the customer has to take the market as he finds it from month to month, as opposed to the gas contracts which are long term and where it had been accepted that there would be extensive regulatory hearings before any further price increase would take place. I am suggesting that it is politic, from the standpoint of the federal government and from the standpoint of the people of Canada, to get a fair return from our export customer but in a way which will not cause him excessive hardship. While in this particular situation we may have the advantage over our American customers, we should remain conscious at the same time that at some future time the situation may well be reversed and we may be seeking a similar type of accommodation from them, and an application of the golden rule in this case is perhaps not only sound ethics but also has pretty sound practical application.

With regard to the natural gas report as opposed to the 11A report, the report on supply availability, as the hon. member knows the hearings were only completed a few weeks ago; the board is in the process of writing that report and completing its tables. It will, of course, be translated and I will be making it public, as I made the oil availability report public, just as soon as it is in a form which can be tabled in the House.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I would like to ask the minister a question before he sits down. I want to be clear about his statement. I understood the minister to say that he is not committed to raising the price of crude oil at the end of June. Is the minister saying that if no agreement is reached between the provinces and the federal government, the federal government may not exercise its powers under clause 2 of the petroleum administration act to fix the price at that time and may leave the matter in abeyance? Are we simply to assume that the price of $6.50 would continue?

Mr. Macdonald (Rosedale): Yes, we would assume it would continue. If the province of Alberta and the province of Saskatchewan are not taking action at that time to force the price up, then the Government of Canada certainly would not take action to do so, particularly not if the discussions are continuing at that time leading to the possibility of some phased introduction over a longer period of time. It would seem to me that I should seek to remove the notion that we are committed willy-nilly to increasing the price on July 1 if in fact discussions are going to a point where we might reach this kind of agreement. Obviously, it would be unwise, merely because of the passing of that date, to put the price up. I think one of the best options for trying to reach some agreement in this regard is perhaps talking about a price increase over a period of years and perhaps some extension through 1975 at the existing price level. What the price will be, and what the outcome of those discussions will be, I cannot at this point say.

● (1650)

Mr. Symes: Madam Chairman, may I ask the minister a question arising out of his earlier comments? He was saying that if the price of oil went up and the government found that the oil companies were not using a portion of the increase for purposes of exploration, the government would take the necessary legislative action to see that this was done. Is the minister now stating government policy, and will this be a condition placed on any price increase,

namely, that the oil companies will have to spend a certain percentage of such price increase on exploration and development? If so, what would the percentage be?

Mr. Macdonald (Rosedale): Madam Chairman, I repeat what I said at the conference, that indeed that would be the objective. If the companies fail to do this, the government would seek measures, fiscal or otherwise, to make certain that the lion's share went back into exploration and development in Canada.

Mr. Balfour: Madam Chairman, I have previously expressed reservations I have held regarding Bill C-32 and its predecessor, reservations that were in no way reduced by the minister's choice of language in his introductory remarks today. He said, if I may quote him as accurately as I can, that in his view it was desirable to take jurisdiction over natural gas as well as oil. The remark was made in the context of the unilateral pricing mechanism that it is intended to apply to natural gas.

I think that by his choice of words the minister has, either intentionally or possibly unintentionally, identified what is the fundamental question that is at issue, to my mind at any rate, in considering Bill C-32, and in particular in considering the unilateral price fixing mechanism contained in clause 36 and clause 52. This fundamental question is the jurisdictional conflict that arises over the ownership and control over oil and natural gas vis-à-vis the federal government and the governments of the producing provinces.

This question arises squarely and directly as a result of the sweeping powers which the minister intends to vest in the federal government under parts II and III of this bill. So far as I am concerned, to cast a vote in the House of Commons in favour of this bill in its present form would be tantamount to becoming an accessory to an attempted act of constitutional encroachment by the federal government over well established constitutional prerogatives of the provinces, an encroachment that is without parallel, I suggest, in the history of our country.

Surely our constitutional body of law makes clear that the ownership and control over natural resources situated within provincial boundaries is the exclusive prerogative of the provinces. Actually, until the so-called energy crisis of 1973 occurred, this jurisdiction was never seriously questioned so far as the ownership and control of oil and natural gas from western Canada was concerned. I suggest that the provincial jurisdiction to establish wellhead prices is included within the context of the statement I have just made, notwithstanding the CalOil case previously referred to by the minister. The CalOil case decided certain questions, but it decided questions with respect to pricing arrangements beyond provincial borders. Under the authority of the CalOil case, to indirectly fix wellhead prices in a province is, I suggest, to strain the authority of that particular jurisprudence far beyond reason.

I do not, by that statement, challenge the collateral jurisdiction of the federal National Energy Board or the federal government to control exports of oil and gas, to assert jurisdiction over oil and gas rights contained within federal lands, or the federal government's jurisdiction to regulate interprovincial trade and commerce and extraterritorial trade and commerce. I also wish to make clear that the issue is not whether the price of western crude oil or natural gas should rise, or the price fall or remain the same, or by what amount the price should alter. The issue is whether the Government of Canada should take unto itself the legislative power and authority unilaterally to impose on the producing provinces the price at which they are obliged to market their natural resources, in this case crude oil and natural gas.

There was concluded just last week a so-called first ministers' conference, the principal purpose of which was said to be to deal with this question of price. I should like to offer an observation or two with respect to that historical meeting; but since it is almost five o'clock, may I call it five o'clock?

The Assistant Deputy Chairman: Is it agreed that we call it five o'clock?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: So the House might proceed to the consideration of private members' business pursuant to section (3) of Standing Order 15, it is my duty to leave the chair.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—National Parks—Request for reconsideration of proposal to increase entrance fee to Prince Edward Island Park; the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—External Affairs—Alleged agreement Canada would not retaliate for boarding of *Greenpeace III* by French authorities; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Regional Economic Expansion—Reason for allocating funds for the further study of container facilities at Halifax.

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

Mr. Lefebvre: Would you call motion No. 32, Madam Speaker?

The Acting Speaker (Mrs. Morin): Is it agreed that motions Nos. 2, 15, 19, 20, 24, 28 and 29 be allowed to stand and retain their position on the order paper?

Mr. Herbert: Madam Speaker, on a point of order, as I have said on a couple of previous occasions I object to the proceeding by which we pass over these items. There are

eight items before No. 32. I think we should have an explanation why we are passing them over. I understand why in a couple of cases, but with regard to item No. 29, for example, we should either debate it or take it off the order paper; I see no reason at all for leaving it there. If the hon. member is not prepared to proceed with the item, I suggest that it be dropped.

The Acting Speaker (Mrs. Morin): It looks as though an agreement has been reached not to drop these items, but perhaps this rule could be looked at again, if there is agreement, the next time.

Mr. Herbert: There is no unanimous agreement to leave item No. 29 on the order paper.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I do not take umbrage at the suggestion being made by the hon. member for Vaudreuil (Mr. Herbert) that these agreements be looked at. But I suggest as strongly as I can that it is unfair to pick out one of seven which are being passed over and say that it must be dropped, especially when its sponsor is not here. If we are to drop any ahead of No. 32, let us drop all seven. If we are to let some stand, let us let all seven stand. I suggest the hon. member for Vaudreuil has a good point. He should press it in the appropriate place, through the appropriate channels. But I make the point that if we let six out of seven notices of motion stand, we should do the same for all seven.

● (1700)

The Acting Speaker (Mrs. Morin): I thank the hon. member for Winnipeg North Centre (Mr. Knowles).

[*Translation*]

But I would like to remind the hon. member for Vaudreuil (Mr. Herbert) that Standing Order 19 is very clear on this, and I quote:

Questions put by members and notices of motions, not taken up when called may (upon the request of the government) be allowed to stand and retain their precedence; otherwise they will disappear from the Order Paper. They may, however, be renewed.

[*English*]

Is it agreed that they shall stand for the time being?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

UNEMPLOYMENT INSURANCE ACT

SUGGESTED REVISION TO REMOVE PROVISIONS BASED UPON PRINCIPLE OF SOCIAL WELFARE

Mr. William Knowles (Norfolk-Haldimand) moved:

That, in the opinion of this House, the government should consider revising the Unemployment Insurance Act to remove those provisions which discourage the incentive to work and, as well, those provisions which are based upon the principle of social welfare and not upon the principle of social insurance.

[Mr. Herbert.]

He said: Madam Speaker, I was advised by the parliamentary secretary to the government House leader that motion No. 32 standing in my name would be called today. That is why I am ready to speak. I understand it was agreed that my motion would be called. The House is aware of my motion and I will not read it. I have discussed this matter in the House on previous occasions. My interventions have not resulted in changes to the Unemployment Insurance Act or to the regulations, and I am here again to argue my case for the removal of disincentives which apply to certain people who have dealings with the Unemployment Insurance Commission in the area I represent.

I will focus my remarks on what happens with regard to seasonal agricultural workers in my area particularly, although the same holds true for many other areas of the country. Seasonal agricultural workers are employed in harvesting the tobacco crop in my area, as well as in harvesting apples, small fruits and market garden crops. Such harvesting utilizes a great deal of intensive hand labour. Despite our best efforts at mechanization, we have not been able to supplant the human hand in harvesting. Consequently, there is a heavy demand for short-term workers.

There are several main sources from which we can obtain such short-term labour. First, of course, our Canadian workers make up the great bulk of these harvest workers. Usually they are local or neighbourhood people who at harvest time give up their household duties and work in the fields. Or they might be students at school; they leave the classroom or the home and help the local farmer harvest his crop. Students do not only come from nearby areas; they come from all across Canada: the Manpower people bring them in to help in this operation.

As well, we employ migrant workers, the least dependable of all. Usually they are people least able to find a job. They go to Manpower offices and try to find employment, but find it difficult to make a living for themselves and hold on to a job. Often they are drifters, given to drunkenness or to drug use and they create all sorts of problems. The third category is offshore labor. I am referring, of course, to the European university student exchange program and to foreign workers who come to this country to work. My remarks in the main do not concern them.

Specifically, I want to talk about the effect of the Unemployment Insurance Act on seasonal agricultural workers. I am not alone in my opinion. Others hold views similar to mine in connection with unemployment insurance problems. Allow me to refer to page 4857 of *Hansard* for June 18, 1973. The House on that day was debating the private member's motion standing in my name, dealing with the subject matter dealt with by the present motion. I had been talking about the defects of the unemployment insurance system and read into the record part of a brief prepared by members of the Norfolk county council. The brief dealt with unemployment insurance and with the difficulty of obtaining workers, and said in part:

—there are serious faults with the system. The first is the short qualifying period of eight weeks. In our interviews we found time after time that workers would only put in eight weeks of labour at any one place, to satisfy the qualification required by the Unemployment Insurance Act, after which they seem to have no difficulty in obtaining their unemployment insurance allotments.

Therefore we find it absolutely expedient to increase this qualification period to as much as 30 weeks. Labour in the agricultural community generally starts in mid-April and continues until the end of November. Any able bodied worker would have no problem in accumulating the required number of work weeks to qualify for unemployment insurance, to which we feel an agricultural worker has a right, just like any other worker, but it should only be a right, not a way of life.

The county council was dealing precisely with what I am complaining about this afternoon, and my experience bears out the truth of its contentions. Since the beginning of January of this year I have received more than 200 complaints from the sort of people I am speaking about. Some workers have found it very difficult to collect unemployment insurance benefits to which they became qualified after working for eight weeks, although many worked for much longer. These people become very frustrated when, after complying with the provisions of the act, they are unable to collect benefits. Their experience does not provide them with an incentive to return to work in the fields. They should receive benefits to which they are entitled. They complain of restrictions; we must not put roadblocks in the way of their getting legitimate benefits.

Let me be specific, Madam Speaker. First, let me deal with the eight-week minimum work period referred to in the brief prepared by members of the Norfolk county council. Farmers have complained about the short qualifying period. It seems that certain unreliable workers take advantage of this provision; they work for the minimum of eight weeks, then refuse to work. If a farmer were to complain to the Unemployment Insurance Commission, the worker would not get his benefits. Nobody likes to complain, to be an informer or a stool-pigeon. Farmers think that the act should be designed so that it does not put them in the unenviable position. Of course, a few wrongdoers have been caught and the Unemployment Insurance Commission has taken drastic action to correct the situation. It has increased the number of benefit control officers, and some malingerers and cheaters have been found and disqualified. For people like that, I have no sympathy.

Let me give a concrete example of what I mean. Yesterday I talked with a farmer in my area who employed an immigrant family in preparing his tobacco crop for market. The family worked for eight weeks, just long enough to qualify for unemployment insurance benefits, and then quit. The farmer went to the neighbouring town of Tillsonburg and from time to time asked if any of the family had a job; there were plenty of employment opportunities at the tobacco auction exchange. He was told that these people were in no hurry because they were collecting unemployment insurance. Here a man was wanted for work, was available, but did not want to work and had not been cut off from unemployment insurance benefits. Situations like this frustrate farmers and rob other workers of the incentive to work. Why should they work if benefits can be obtained so easily?

I think that the Unemployment Insurance Act and regulations made thereunder ought to be improved. There should be a change in the level of benefits payable under the act. At present, there is not enough difference between what a man earns in his regular, daily work and what he can obtain by way of unemployment insurance benefits. No matter whether wages are high or low in different areas, the differential remains the same. The benefits are a certain percentage of what the man earns. If he is willing to accept a lower standard of living and feels that it is not worth "X" number of dollars to drive his car to work, buy work clothes, and so on, he will go on unemployment insurance. Under these conditions the benefits are too generous; they take away the incentive to find a paying job.

● (1710)

I would like to draw attention to local workers who help out at harvest time. They live in the community where the agricultural harvesting is being carried out. They work more than eight weeks. In fact, they work until the crop is harvested. These people are tobacco workers; this is all they know. They are not permanent members of Canada's work force by any stretch of the imagination. However, because they work more than 25 days and earn more than $250, they are required to contribute to the unemployment insurance program. The philosophy of these people is that if they contribute, they will demand benefits when they are out of work. Apparently they are qualified and it is within their right to do that. Unemployment insurance was not designed with that end in view. It is not like an annuity or a pension where you pay in and get something back. It is an insurance program. Most people understand this, but a lot of people do not.

The Unemployment Insurance Commission has told some people in my area that because they work in tobacco they do not qualify for unemployment insurance benefits. However, that is not the way these people understand it. That is not the way the act is explained to the worker in the pamphlets sent out by the commission. When the next harvest season comes around, because unemployment insurance deductions were made from their pay, they will not do this kind of work. This seriously aggravates the labour situation and casts a bad reflection on the Unemployment Insurance Commission and the act.

Your Honour may think I am straying a little, but this is the way many claimants are being treated. It results in frustration and, therefore, in disincentive to work. To make my point regarding sick benefits I wish to read from a letter which I sent to the Minister of Manpower and Immigration (Mr. Andras) who has responsibility for administering the Unemployment Insurance Act. This letter sets out my experience in four or five cases with regard to sick benefits. The letter is dated March 15, 1974. I quote:

Dear Mr. Minister:

I refer to my letter of December 10, 1973, drawing attention to two claimants for sick benefits under the unemployment insurance program. In that letter I pointed out how unfair it was to these claimants to have the sick benefit continue to run even though they did not draw the same. Then when the second illness or accident occurred they were unable to secure the remainder of the sick benefit payments to which they would normally be entitled.

Mr. Cousineau, the chairman of the Unemployment Insurance Commission, replied to that letter on your behalf and explained the regulations as they stand.

The purpose of this letter is to draw attention to yet another claimant who finds himself in a very similar position. His name is Mr. Elmer Propper of R.R. No. 2, St. Williams, Ontario. Mr. Propper drew benefits back in July of 1973. Then on January 1, 1974 he was injured in an accident which results in having a cast on his ankle and his inability to work and also, of course, being hospitalized.

On making application for sick benefits he was only able to draw benefits for a three-week period because the entitlement which began back in July, 1973 had continued to run and had expired now in 1974 after the three weeks of benefits which I just mentioned. I have talked with Mr. Propper personally and can attest as to this man's condition and to his need for benefit.

I draw this case to your attention as yet further evidence of the need to, in some manner, amend the regulations of the unemployment insurance program to take care of instances such as these.

I received a reply from a Mr. Lambert, on behalf of Mr. Girard, departmental assistant, dated March 29, 1974. I quote from the reply:

I might point out, however, that the commission has been examining the feasibility of allowing claimants to cancel an existing claim once the initial benefit period has expired, and setting up a new claim on the strength of labour force attachment acquired since the previous claim was established. This proposed change would facilitate a claimant requalifying for benefits at an earlier date, and thus permit cases such as Mr. Propper's to be dealt with more equitably in the future.

In other words, the Unemployment Insurance Commission sees the need for that cure. In order to be fair to the commission and those who draw benefits from it, an amendment or proposed change in the regulations should be seriously considered. At present, this is resulting in frustration for these people. They are fed up and angry with the Unemployment Insurance Commission and this is reducing their incentive to work.

My next point is with regard to the student worker. One of the largest sources of seasonal workers in agriculture is the student labour pool. Without it, farmers would be in great difficulty at harvest time. The incentive for these people to work is weakened by deductions for unemployment insurance for which they rarely or never legitimately qualify. Because they have to pay this, they feel they are being discriminated against. To support my point I wish to quote from a letter from someone who recognizes this situation—Mrs. Joy Lefler of RR No. 3, Waterford, Ontario. I quote from her letter:

As you know, the regulation as it stands now, concerning unemployment insurance deductions; once an employee has earned $250, regardless of his age, he must have unemployment insurance deducted from his wage. Can you tell me, sir, do you honestly see justification in deducting unemployment insurance from, say, a 14 or 15 year old employee? We have had plenty of workers in our employ at that age, and good workers, I must add, who fall into this category. Would a 15 year old who earned money and had the required deductions taken from his wage be able to collect unemployment insurance benefits? Impossible!

This is one regulation that needs some house-cleaning or at least some investigation. I don't believe I speak only for myself, but thousands of employers not only in our business but others as well.

The Canada pension regulation is that a person must reach 18 years of age before being eligible for deduction. I sincerely feel the unemployment insurance benefit should fall under the same regulation, or it should at least be revised so that he must reach a wage equal to that of his personal exemption or which is subject to income tax deduction.

I think that supports the argument that there must be some provision for student workers who make up a large part of our labour force. I have been rather negative and critical of the Unemployment Insurance Commission. However, I have some positive suggestions to make which I feel will improve it. They will restore in some measure the incentive to work in the labour force which is so essential to the harvesting of agricultural crops.

First, as I have already stated, the qualifying period should be lengthened. I see no earthly reason why it should not be extended well beyond eight weeks, perhaps to six months or, as suggested in the brief by the county council from which I read, 30 weeks. Second, seasonal agricultural workers should be exempted. Let us forget about them. Don't bother with them with regard to deductions for income tax, pension plans, and so on. Let us eliminate the red tape. There will then be a real incentive for persons all over the country to go into the fields at harvest time and provide the labour which is so necessary. Some people might say, "Look at the amount of money that would be lost to the revenue." But as far as income tax is concerned, the treasury would catch up with these people at the end of the year when they paid their tax.

[Mr. Knowles (Norfolk-Haldimand).]

● (1720)

My third recommendation would be to raise the $250 ceiling on earnings or extend the qualifying period so that the seasonal worker would not be subject to deductions with respect to unemployment insurance. Finally, I suggest that the Unemployment Insurance Commission reinstitute the form which at one time permitted an agricultural worker to opt out of the unemployment insurance scheme of his own volition. The worker signed such a form and turned it over to his employer, who did not then have to make deductions in respect of unemployment insurance. This would have two important effects. First, it would help accomplish what I have been advocating throughout my speech and, in addition, it would simplify the administrative work which farmers are now compelled to undertake.

I hope that what I have said will help make the commission aware of the difficulties in the act as it now stands, and I trust the government will implement some of the proposals I have put forward.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I should like to take part in this debate for s short time; I am aware there are a number of other hon. members who wish to speak. I found the remarks of the hon. member for Norfolk-Haldimand (Mr. Knowles) very interesting. The hon. member may be exaggerating somewhat when he suggests there has been no desire on the part of members on this side of the House to make some of the changes he believes to be necessary. I understand that in the last parliament there were to be amendments moved to the Unemployment Insurance Act, but that the party to which he belongs would not support them. For this reason they did not go forward.

I may say that I, like the hon. member, am constantly being besieged by people who say that unemployment insurance benefits are too high or too easy to get, or that there is too much abuse. But it really depends upon whose is being gored. When they themselves, or members of their immediate families, find it necessary to resort to unemployment insurance, they tend to take an opposite point of view: benefits are too hard to get, payments are not high enough, and conditions are too restricted.

Two years ago, I was among those who were critical of the structure. At that time benefits were being increased, new administrative procedures were being put into place, and rising unemployment was leading to a flood of new claims. In the past year or so the situation has changed. I do not think there is a member in the House who can

honestly say that at the present time administration of the unemployment insurance program is lax.

There are those in my constituency, particularly from some of the smaller towns in the northern end, who have taken a very aggressive stand toward unemployment insurance. They say, for example, that all kinds of people are drawing benefits when they should not be entitled to do so. According to them, some people are getting more money from unemployment insurance than they would be getting if they worked for a living. Where, they ask, is the incentive to work?

Well, Madam Speaker, I have personally looked into the cases of more than 200 people who were reported to be drawing benefits to which they were not entitled. Of those 200, I found that only five had even applied for benefits; one person was receiving benefits quite legitimately during her pregnancy and another was in the process of being disqualified for failure actively to seek work. When, out of 200 cases, one finds that only one person was receiving benefits which were questionable, and that even he had been detected and was being disqualified, I cannot believe there are many commissions which are better administered than this one.

Farming operations in my riding vary widely, and I am well aware of the problems raised by the hon. member for Norfolk-Haldimand. It is true some farmers ask why it is justifiable to pay unemployment benefits to people at a time when farmers cannot get sufficient labour to meet their needs. Surely, they feel, there should be some meeting ground, some possible compromise. There are those who suggest that applicants for benefits should be forced to pick fruit or tobacco. But when one discusses the issue with farmers in some depth, it is apparent that the farmers themselves are not all on one side of the argument. They cannot blame workers accustomed to getting between $3 and $6 an hour, as is the case with many employed in the automobile industry, quitting temporary work in the fields to go back to their old jobs when the recall comes.

After all, the main and most reliable source of help in farming areas comes from the people who work regularly in the fields and orchards at harvest time. If it were not for them and for the help made available through the offshore employment program, the situation today would be a great deal worse than it is.

I do not know what to think about the hon. member's suggestion that those who work intermittently as farm labourers should be exempt from the provisions of the Unemployment Insurance Act. A good many farmers will argue that if it were not for unemployment insurance payments enabling workers to live between jobs, it might be even more difficult to get help since they, the farmers, could not afford to hire men on a year-round basis. I would want to look at this proposition in depth before I could agree with it.

At the same time, I am all in favour of seeing a more simple method adopted to handle the bookkeeping, and the paperwork so as to relieve the farmer of these tasks as much as possible. It is the mechanics of administration that the majority of farmers find so irksome—the paperwork—rather than the actual deductions which must be made from the pay of employees. I rather doubt that the hon. member found legitimate arguments in support of some of the points he raised. The vast majority of these people in my riding have worked long and well. These people do not come to make a claim voluntarily. They come forward because they have some financial difficulty and they need these benefits. I have the greatest sympathy in the world for the person who has been employed for 20 years and finds, on a Friday, that he is out of work and has to make a claim. This is a very traumatic period in his life.

● (1730)

When we are talking about tightening up unemployment insurance, decreasing benefits and increasing qualifying periods, we must be very sensitive to this situation. This is particularly true when we are talking about the principal wage earner of a household, male or female. Such an individual is not likely to be at the higher level of income but usually is at the lower level, and is forced to live from pay cheque to pay cheque. All of a sudden, that individual finds there is no pay cheque coming, and as a result, there ensues a very traumatic and emotional period of time in that person's life.

If we set the qualifying period at eight or at 30 weeks I would then ask how the commission will handle this situation. This will cause emotional stress and will place a great load on municipal welfare schemes. One county council suggested that the qualifying period for unemployment insurance should be set at 30 weeks, if I recall correctly. I think that county council should be asked whether it would be prepared to share the costs of these joint programs with the provinces in order to fund these people for that length of time. Perhaps when they look at the size of the financial commitment they would be taking on, they will alter their view.

There are a couple of other points I want to make. I am not terribly satisfied with the basis for our unemployment statistics. Perhaps this is not germane to the topic of the resolution but, as I understand it now, during each period some 30,000 households are solicited to find out if people are unemployed and actively looking for work. That is how our unemployment figures are determined on a percentage basis. These statistics should be more definitive, and if the Minister of Industry, Trade and Commerce (Mr. Gillespie) were here, I would suggest to him that he ask Statistics Canada to see if there is any better way of determining them.

I would like to know, for instance, the number of households where the principal wage earner is unemployed. I think that might be different than the number of unemployed second or third persons contributing to the economy of that household. Perhaps consideration might be given to a more sensitive benefit structure, with increased benefits to the principal wage earner in a household as opposed to someone who is casually attached to the working force.

Let me also comment on a problem that seems to be at the crux of unemployment insurance difficulties at the present time. This involves the sorting out of claims and cheques that are justifiably issued to the claimants. The people in the Unemployment Insurance Commission and in the unions, as well as those representing non-union people, will have to work even harder than they are at the present time in helping people to establish their initial

claims. If it were not for the tremendous cost and bureaucracy that would be generated, I think a good argument could be made for the idea that when a person enters the work force, a claim should be established so it is available in case of a need arising.

The greatest problem in this area seems to be in regard to the person who is not a member of a union and is laid off on a recall basis. That person expects to be recalled in the near future and perhaps does not actively seek other employment. It may well be that he would be throwing away his entire career if he accepted other work. It seems to me that that individual should be told what are his obligations and rights.

In my area, we have both the UAW and the UEW looking after the concerns of employees. I should like to compliment the union people associated with those unions for the job they have done in helping to establish initial claims when there have been major layoffs in the area. Along with people from the Unemployment Insurance Commission, they go right out to the plants and work on this matter. They work with the employees in an attempt to solve their problems and, failing that, they direct employees to their member of parliament who can have one more try at remedying the situation.

I am most anxious to see these programs carried out in close co-operation with manpower offices. People are always asking me how we can have so many employment opportunities available and a large number of people drawing benefits at the same time. The answer very simply seems to be that skills are not matched with the available jobs. The people who are unemployed do not have the skills which the marketplace is looking for or, if they do have them, they do not know about the opportunities.

I would hope we can take a long look at some of the things we could be doing under our manpower programs. For instance, if it were determined and accepted that there is no work available for a given period of time, particularly in areas where there is only one major employer who has had a layoff, it may well be to the benefit of the individuals that, rather than being confronted with a series of rejections in terms of employment, they have the opportunity of spending their time in manpower training to upgrade their skills. That way, when employment is again available, they are better qualified for the job they had, or, for an even better one.

Let me conclude on this note, as I know I have talked longer than I should. One of the most difficult things to deal with as a member of parliament is the individual who comes to the constituency office with an emotional problem brought on by some personal situation, resulting from stress on the job or because of a recent layoff resulting from a change in technology. This may involve an individual who is no longer able to cope with the situation, or who has suffered an accident or a major disability. These people go on unemployment insurance and, when the benefits begin to run out, they come to us. The real question is determining how you can get these people back into the work force. They can no longer cope with the noise or the speed of the situation, and there is a real reluctance on the part of an employer to hire this type of person. That is why I feel these pilot projects, in terms of community programs in the country, are of real value. These programs can deal with some of these real employment problems. It is a downhill slide for such people unless someone takes a real interest in their cases.

I have been strongly aware of Unemployment Insurance Commission problems, having been involved particularly in handling the problems of a number of individuals. Rather than take up the traditional argument that we should lengthen the qualification period, decrease the benefits, do away with maternity leave and things of that sort, we should all work and offer constructive suggestions to help the Unemployment Insurance Commission do the best possible job of administering the act. If that does not satisfy the need, we should amend the act so that people who are trying very hard at this stage can do the job.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I believe a number of members are anxious to speak during this hour so I shall be very brief. Although I do not agree with all the points made today by the hon. member for Norfolk-Haldimand (Mr. Knowles),—we Knowleses often agree but there are times when we do not—I welcome the fact that he has put this motion before the House calling for a revision of the Unemployment Insurance Act.

The types of complaints made against the administration of the Unemployment Insurance Act are mainly two. First, there are those who complain because there is abuse, and because there are people getting benefits to which they are not entitled. Such practices are not to be condoned, but frankly I do not worry very much about that whole aspect. There are plenty of others concerned in that way and, as the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) has just said, the administration has tightened up in that respect.

● (1740)

The other type of complaint about unemployment insurance—and this is the sort of thing which comes to my attention all the time—is that too many people do not seem to be able to get the benefits to which they believe they are entitled, and far too many people are called on to repay benefits they have already received. I hope this aspect of the matter can be dealt with very soon.

I think I have to take half a minute to defend my friends in the Conservative Party against a statement made by the hon. member for Peel-Dufferin-Simcoe. It was not the Tories who blocked a certain unemployment insurance amending bill in the last parliament. It was the New Democratic Party, because the bill was directed to the first of the points to which I have referred, namely, abuses and so on. If that bill had contained some improvements in respect of benefits, as suggested so well by the hon. member for Peel-Dufferin-Simcoe, I am certain it would have been passed.

I shall keep my promise to be brief. I am glad we are having this discussion and I hope that sometime soon there will be some work done on improving the Unemployment Insurance Act and eliminating its weaknesses in respect of the needs of those who rely on it. The only other sentiment I want to stress is that I welcome the concern of my hon. friend from Norfolk-Haldimand that there be an

incentive to work. That leads me to say that I hope the Minister of Finance (Mr. Turner) will soon give a green light to the Minister of National Health and Welfare (Mr. Lalonde) and let that minister proceed with his plans for a guaranteed annual income. Most of those who advocate such a program think in terms of providing an incentive to those who are working to stay on the job by having some kind of a guarantee that makes it worth while for them to do so. It would take time to go into the details of that, and I shall not take that time now.

It seems to me that a good many people who are trying to get protection under the Unemployment Insurance Act would get better protection and would have more incentive under the kind of guaranteed income program which I believe that the Minister of National Health and Welfare would bring in if only he could get the green light from that ogre who sits on the front bench, the Minister of Finance.

[*Translation*]

Mr. Eudore Allard (Rimouski): Madam Speaker, it is my duty to rise today to discuss unemployment insurance which affects not only my constituents but all Canadian people.

Madam Speaker, the unemployment rate in Canada is high and and constantly worsening in several fields, especially in forestry, fisheries, etc. The rate is alarming and the people are facing all kinds of problems most of which are resulting from this legislation now under consideration.

At various periods of the year, several industries for a reason or another temporarily close their doors; hundreds of employees are dismissed and must draw unemployment insurance benefits. They are then subjected to a waiting period which could also be called a two-week penalty for having involuntarily lost their job. Those persons must then wait three or four other weeks to draw their first cheque or their first benefit.

Madam Speaker, the fact that at a given time those people have to turn to that famous Unemployment Insurance Act to survive is really detrimental to them. Because they are unemployed does not mean that they are lazy: far from it. Often they are laid off for reasons over which they have no control, such as a shortage of work amongst others.

The Unemployment Insurance Act inflicts difficulties upon some people. I know people who feel shy about going to the unemployment insurance office, who would certainly prefer not having to do it. After a given time, taking into account the experience of the individual, he must look for a job to prove to the commission that he is still willing to work. That is not always easy. After having applied for many jobs, without success, in his former field of work, the beneficiary of unemployment insurance must apply for jobs in a related field and give the commission proof of his efforts. Interpretation of the word "related" is left to the discretion of the civil servants with the result that, in some cases, nursing assistants have been penalized for refusing to work as waitresses in restaurants or hotels. The same thing goes when it comes to interpreting the word area.

Madam Speaker, after mistakes by commission employees a great many people find themselves in the obligation of paying back amounts of money paid to them. Is it logical that people should be penalized for mistakes made by others? Is that not prejudicial to those people?

Madam Speaker, it is most important that the Unemployment Insurance Act be revised as well as its regulations that are now stricter than the act itself. Everything must be done to make that act fair and available; information concerning that act and its regulations must be made available to people in the same way it was and is still being done with the conversion of our measure system so people can understand that act and know exactly what is expected of them. We must stop hiding from them information that is later used to disqualify them.

We suggest, Madam Speaker, that the waiting period be abolished, that first payment be made within two weeks following the claim in order to allow people who file a sickness claim to get benefits notwithstanding the stage reached by their claim and the number of insurable weeks of employment accumulated. We also call for the abolition of the reimbursement of overpayments due to mistakes by the commission. We would also agree to have the number of insurable weeks of employment required to qualify for unemployment insurance increased from 8 to 12, which would avoid the possibility of fraud and would give justice to workers all year long, in addition to allowing people to prove their love for work.

I am convinced, Madam Speaker, that an improvement of the Unemployment Insurance Act is called for and that it will in no way be prejudicial to our economy and our development, and while implementing at the same time the guaranteed minimum income plan that my hon. friend from the New Democratic Party talked about so well earlier. However, I would remind him that the guaranteed minimum income has been advocated for many years by the Social Credit Party of Canada. We like to believe that the implementation of those measures would represent an improvement that would rather help give our society the assurance of becoming better.

● (1750)

[*English*]

Mr. J. R. Ellis (Hastings): Madam Speaker, the resolution that the hon. member for Norfolk-Haldimand (Mr. Knowles) put forward speaks for itself. If I were given the next 50 or 60 minutes, I could probably do justice in support of it. In the very few minutes that we have left, however, I would like merely to make a few points which might help to clear up some of the misconceptions that the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) has in mind. The hon. member for Winnipeg North Centre (Mr. Knowles) cleared up one with regard to the group that blocked the bill which was brought in early in the last parliament. At that time I think it is fair to say that the term commonly used about my colleagues to the left and members of the Liberal Party was that they were bed mates. Nevertheless, that bill was blocked, although we would have liked to have seen it and other legislation come into force.

As a matter of fact, to my recollection there have been at least three promises of amendments to be made to the

Unemployment Insurance Act, but none of them has been brought in as yet. In the interim period, many things have happened. Some time ago I documented almost $1 billion defrauded from the Unemployment Insurance Commission. I could document those cases now from memory, but I do not think it is necessary. It is interesting to note that just recently the special investigative branch of the Unemployment Insurance Commission has been closed. I would be very curious to know whether or not the administration feels that all the various abuses have now been curtailed, or whether my colleagues and I have not spent enough time criticising the administration of the UIC and, as a result, members on the other side feel that since the heat is off they do not need to worry about it.

Mr. Rompkey: Madam Speaker, I rise on a point of order to set the record straight. The matter of abuses has certainly not been dropped. We have been carrying out checks, and I might say that since January a thousand cases have come to light where illegalities have taken place with regard to claims for unemployment insurance. We are using a computer for the checks, and not only are we checking claimants but also employers with regard to any activities which might be not above board. Certainly checks have not been stopped.

The Acting Speaker (Mrs. Morin): Order, please. This is far from being a point of order.

An hon. Member: Nevertheless it is true.

Mr. Ellis: Not only is this not a valid point of order but I would do some very serious checking because my sources of information, which are usually impeccable, tell me that this branch has been closed for all practical purposes.

The hon. member for Peel-Dufferin-Simcoe asked about statistical information. This administration is extremely good at doing one thing if nothing else, that is, hiding the statistics that we could all use to judge better the efficiency of this over $2 billion a year "industry" that is dispensing funds within the administration. The document that I have here is called The Statistical Report on the Operation of the Unemployment Insurance Act. The earliest you can get this document is three to four months after it has been issued. I know that the statistics contained in it are only one-quarter of the statistics available, and I also know that these statistics are available immediately after the end of the month. One thing that a computer does do well, if it does not do anything else, is to provide that type of information quickly. I suggest to the hon. member that he ask some of his colleagues to look back and they will find that, for example, in 1973 the prediction of UIC computers regarding unemployment in the country at that time were accurate within one decimal point. That information is available; it is just the case that we who could use it cannot get our hands on it.

Another point that the hon. member made has to do with the forms that are being filled by the various people who apply for unemployment insurance. These forms are probably the worst designed forms I have seen, the most ill-conceived, the least decipherable, and the most ambiguous pieces of paper that the bureaucracy has ever produced. We, as members, do not have to make unemployment insurance payments and I hope I will never have to claim benefit because I do not know whether I could fill out those forms properly.

I have claimants who come to me frequently. If the hon. member opposite has only 200 claimants coming to him, then I can only conclude that he has not been around here too long, because those who are involved have many more than that coming to them for advice. I certainly have one person on my staff looking after them because, not only are they difficult cases, they are difficult to the point of frustration.

Admittedly the administration of the local offices has improved. Let me take a moment to compliment those in the local offices in the Belleville area. They have improved their public relations and their service. Yet the over-all administration has not changed, and the over-all need for strong amendments to the Unemployment Insurance Act has not lessened at all. Consideration should be given to the possibility of someone who has worked all his life perhaps receiving a bonus for not having drawn unemployment insurance, and to a penalty being imposed on habitual users. There is also the matter of making it a load on the welfare branches in the municipalities if it is a welfare program, and sometimes it is just that. Let us not call this an actuarially sound unemployment insurance program.

Since we want to draw this debate to a close let me conclude by saying that if the hon. member wants to see these amendments brought in, let him impress on his own caucus the importance of having these amendments brought forward, and he can be sure that this party will consider them favourably as quickly as possible.

The Acting Speaker (Mrs. Morin): The hour provided for the consideration of private members' business has now expired. Perhaps the House will be agreeable to going back into committee of the whole before the Chair calls it six o'clock. Is it agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF THE INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: When the committee rose at five o'clock we were considering clause 2 of Bill C-32, and the hon. member for Regina East had the floor.

Mr. Balfour: Before rising for the supper adjournment, Mr. Chairman, I had embarked on a few comments respecting the meeting of first ministers held in Ottawa last week. It was perfectly obvious to me, and I suspect to the entire House of Commons, that the outcome of that first ministers' meeting was a foregone conclusion, given the format in which it took place. It is also my belief that this is precisely the result the federal government anticipated and desired. How could it be otherwise? How could the premiers of oil consuming provinces, in that goldfish bowl atmosphere and in the full glare of national television, be expected to enter into meaningful negotiations and discussions on so complex an issue as the future price of their energy supplies? That question is interrelated with collateral questions involving domestic inflation, regional industrial development and, most important of all, long term security of domestic supply.

The format of the meeting was inappropriate, the time frame of the meeting was unrealistic, the whole affair was nothing more or less than an exercise in public relations, and I hope and trust the people of Canada will so perceive it.

There are important questions to be settled if Canada is to evolve a sensible, workable and realistic national energy policy. A strategy must be developed whereby Canada's long term self-reliance in energy will be achieved, and achieved in time, before the existing proven marketable reserves of oil and gas are depleted. There must be agreement with respect to the appropriate sharing of resource revenues between federal and provincial governments and with the industry itself. There must also be an agreement with respect to the appropriate level of the domestic price for both oil and gas.

About the only thing the provincial premiers achieved at the meeting was a free lunch, and even that slight benefit might prove to be a cruel illusion if the impasse between the Government of Canada and the producing provinces continues unresolved.

The minister says that he needs Bill C-32, and in particular he needs the legislative clout provided by clauses 36 and 52 in order to arrive at a satisfactory pricing arrangement. I suggest to him that this is a short sighted view of what will actually result should he have his way, should this bill become law in its present form, and should he purport to implement the unilateral price fixing mechanism contained in the bill.

What will certainly result will be a constitutional challenge by the provinces in the courts, a challenge which, whatever the outcome—and it is by no means certain the outcome would favour the federal position—would bring about a jurisdictional process which will only escalate the increasingly bitter, ongoing confrontation between the western provinces and the government. This confrontation will contribute further to western regional alienation from central Canada, and will further exacerbate the difficulties now being experienced in sustaining a level of resource exploration. This exploration is necessary to develop new sources of supply, which in a few short years will be so desperately needed.

The minister should not discount the depth of feeling on the part of his provincial counterparts with respect to what they perceive to be a jurisdictional power grab.

The attorney general for the province of Alberta in discussing the predecessor bill before the Standing Committee on National Resources and Public Works on May 7, 1974, had this to say:

> Mr. Chairman, I wish to conclude by commenting on part 3, the part to which our most fundamental objections are directed. Far from embodying a term of the first ministers' agreement it stands as a direct negation of the principles upon which that agreement was based. It permits the executive council to terminate an existing agreement between a producer province and the federal government or to decline to negotiate a renewal agreement and to impose by unilateral action maximum prices on a natural resource owned by a province.
>
> The inequities of part 3 are plain as well as subtle. If one of the negotiating parties reserves unto itself a right to cancel the bargain or the right not to bargain at all, then the consultative or negotiating process becomes meaningless. The concept, the grand scheme, the sensible formula, for resolving federal-provincial differences loses its very foundation.

He went on to say:

> If one of the negotiating parties by legislation purports to reserve unto itself powers of the most dubious constitutional validity, it invites the other party to embark upon a course of judicial confrontation which to date all sides have attempted to avoid in the interests of the Canadian nation. In the last analysis and when viewed in practical terms part 3 amounts to an assertion by the federal government of a right to regulate the price, the flow, the production, and the sale of a provincial natural resource.
>
> It embodies a concept which, I am sure no provincial government after measuring the consequences of its extension to other natural resources such as lumber, hydro power, potash, iron ore, asbestos, nickel, copper and coal, could accept without impliedly acknowledging that in today's economic circumstances the federal government has taken complete charge of the provinces' capacities to determine their future economic development.

Mr. Leitch concluded by saying:

> Mr. Chairman, in our view there is no need for the legislation contained in part 3 which provides for the substitution of the federal will for the negotiated agreements referred to in part 2. The first ministers' conferences demonstrated the presence, strength and vitality of the national concept in a way perhaps unparalleled in our history. I trust that concept will not be impaired by the enactment of legislation which is unnecessary and susceptible to constitutional challenge.

● (2010)

That statement deserves to be carefully weighed, Mr. Chairman. Mr. Crowley, the minister of mineral resources for the province of Saskatchewan, in a letter to the federal minister dated December 2, 1974, said this:

> Part II has two divisions—one providing for agreements with producer provinces on prices and one giving the governor in council discretionary powers to set prices in the absence of, or the breakdown of, an agreement. With the absolute powers provided for in the second division, the question must be asked how meaningful would the negotiations be as provided for in the first division?
>
> This question may not have arisen had it not been for the series of events already referred to in this letter. An alternative would be to remove from the bill Division II of Part II. The federal government will have considerable powers under Division I. If agreements cannot be reached under Division I and action is required, then surely this

becomes a matter that deserves the attention of parliament in the form of special legislation.

The government of Saskatchewan has concluded that it must object to Bill C-32 as long as division II of Part II remains in the bill.

That is a clear indication of the response that will come from the two producing provinces in the event that Bill C-32 in its present form becomes the law of this country. The minister may argue that we are confronted with a situation so serious and so far-reaching in its implications in the matter of energy supply, and the necessity to fix a new domestic price for oil and gas, that these sweeping, unprecedented powers are essential in the national interest.

If this is in fact his position, then the appropriate course in our constitutional framework is clear. He should legislate the price fixing mechanism under the peace, order and good government clauses of the British North America Act, and then stand ready to defend that clear and unequivocal position in the Supreme Court of Canada if called upon to do so.

But, Mr. Chairman, what is urgently required at this point in time with respect to Canada's energy policy is a clear eyed recognition that it is neither prices, nor jurisdictional prerogatives and conflicts that constitute our basic problem. Our basic challenge is the need to put in place a policy which will ensure for Canadians future self-sufficiency of energy supplies, be its origin oil, natural gas, nuclear power or renewable energy forms, and that can only come about if there prevails in Canada a stable economic environment in which consumers, governments—be they provincial or federal—and private industry can operate in harmony, and with confidence in each other.

That situation will not prevail so long as we continue this process of conflict, and confrontation, and devil take the hindmost, with respect to relationships which in former years were seen to work effectively and which resulted in creating, in the preceding two decades, the potential capacity for that very self-sufficiency to which I refer.

At a later stage I will be introducing an amendment to the bill which I will not attempt to go into at this time but which will have the effect of replacing the unilateral price fixing mechanism with what I submit is a more democratic technique to arrive at the result desired by the minister, namely, a legislative technique to achieve finality with respect to pricing of oil and gas.

I hope that, between now and the time when we undertake detailed consideration of clause 36, the minister and his officials will reflect on the proposed amendment which is in their possession, and I hope that after reflection they will see their way clear in a spirit of compromise to give it their support.

Mr. Fraser: Mr. Chairman, if I may speak for a few moments on this matter before the committee I might refer to the statement of the Minister of Energy, Mines and Resources on October 31, 1974, as reported at page 916 of *Hansard*. In the fifth paragraph of the page the minister is reported as saying this:

In short, the House should look on this provision as an instrument complementary to the powers under the Energy Supplies Emergency Act and to the steps being taken in relation to the international energy program. The intention is to safeguard Canadian oil and energy supplies in an emergency, without impairing continued implementation, in those circumstances, of the essential principle of a single oil price across the country.

That statement was made by the minister in introducing the petroleum administration legislation which is the subject of our debate tonight. I think it is of some interest to all members of the House to go over those lines in which the minister says:

In short, the House should look on this provision as an instrument complementary to the powers under the Energy Supplies Emergency Act—

What is meant by that? The act to which the minister says this legislation ought to be considered complementary is an act which, for its very basis, depended upon an emergency. It depended upon an estimation that, under certain circumstances, it was now necessary to call upon the full powers of the federal government under the constitution to meet a need which was deemed to be a national emergency.

I should like to refer to that particular act, which came before the House as Bill C-236. It is significant that in section 11 of that act it is stated as follows:

When the Governor in Council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets that affect or will affect the national security and welfare and the economic stability of Canada, and that it is necessary in the national interest to conserve the supplies of petroleum products within Canada, the Governor in Council may, by order, so declare and by that order authorize the establishment of a program for the mandatory allocation of petroleum products within Canada in accordance with this act.

As all of us in this House at the time the bill was passed will remember, most members agreed that if the government felt that it had to call upon its extraordinary powers to pass emergency legislation in a situation of emergency, or apprehended emergency, then clearly the Government of Canada has such right. That is why it is curious that the Minister of Energy, Mines and Resources made the statement on October 31 that the House should look upon this provision, Bill C-32, as an instrument complementary to the powers under the Energy Supplies Emergency Act. It might have been better, or accurate, had the minister said at that time that what is being attempted here in Bill C-32 is just about the same as what was being proposed in the emergency bill, with one significant exception—that there is no attempt to declare a situation of emergency in the national sense.

● (2020)

Clause 36 of Bill C-32 is significant because it refers to the situation which will prevail if no agreement is reached between the federal government and a province. It says in part:

Where no agreement is entered into pursuant to section 22 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the Governor in Council, is not effective or is not capable of being effective, the Governor in Council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this Part applies . . .

Clause 22 is interesting. It provides for the minister, with the approval of the governor in council, to enter into

an agreement with the government of a producer-province for the purpose of establishing mutually acceptable prices for crude oil. Clause 23 is particularly interesting. It says in part:

When an agreement is entered into with a producer-province under section 22, the Governor in Council may, by regulation, establish maximum prices . . .

Clearly, Bill C-32 seeks to encroach on provincial property and civil rights, an area coming under the authority of provincial legislatures. Hon. members should not disagree on this—the ownership of petroleum lies in the province in which the petroleum is found.

This afternoon the Minister of Energy, Mines and Resources suggested that before this legislation was brought before the House the Justice Department had been consulted as to its constitutional validity. Although it is not incumbent on the minister to file an opinion with the committee, he assisted us by referring to the Caloil Inc. case. I assumed the minister was referring to Caloil Inc *v.* the Attorney-General of Canada, 1970 Exchequer Court Reports, page 535. I am sure the minister, and the law officers advising him know that that decision was based on extremely limited facts. It was based on a regulation of the National Energy Board concerning oil imported from outside Canada. I am sure the minister and his law officers also know that an earlier, similar case had been decided. That was Caloil Inc. *v.* Attorney-General of Canada, reported in 1970 Exchequer Court Reports at page 512. Significantly, this is the case on which the minister bases his argument in favour of the constitutionality of Bill C-32, which represents an extraordinary encroachment into the field of provincial responsibility and jurisdiction.

The court found, in the Caloil Inc. No. 1 case, that the regulation as drafted was ultra vires the federal government because it purported to determine the activities of a company dealing with oil which had its origin in Canada. The regulation was changed, and there arose the second law case, known as the No. 2 case, and reported at page 551 of 1970 Exchequer Court reports. I shall read part of the judgment handed down in the No. 2 case because I think all hon. members ought to consider how tenuous is the authority put forward by the minister for the extraordinary encroachment into provincial government jurisdiction. I begin quoting from page 551 of the judgment, which says in part:

Regulation 20, before amendment, indiscriminately included "any motor gasoline in the hands of the licensee even if it is produced in Canada" . . . an extensive clause which, going beyond the boundaries of interprovincial trade, trenched on the free exercise of civil rights in the provinces . . .

The judge then asked himself the following question:

Was this shortcoming not rectified in the recent text which provides instructions on the quantities imported, the time of importations, the region of Canada where such oil would be consumed?

The judge went on to say:

It goes without saying that everyone is in agreement on the commercial nature of such major transactions and recognizes the right vested in the federal authority to prohibit any product, when necessary, from entering the country. As the venerable philosophical adage observes, "He who can do more can do less". In the present case, for purposes that the board had to provide for, the regulation of this vital trade must be exercised where it takes place, namely, in all points of the ten provinces, and of the two territories of Canada. Then, the amendment decreed by the Order in Council of August 12 empowers the board to specify in what quantities, at what times and to which regions gasoline can be imported, from its place of origin to its area of consumption; it brands it to some extent—

I ask the minister to note the following words:

—and prevents its confusion with oil extracted in Canada. It may be that this is a subtle distinction; however it appears sufficient to me.

The judgment goes on to deal with a matter of great importance if we are to consider where the line between federal jurisdiction and provincial jurisdiction is to be drawn. I continue quoting the judgment:

According to jurisprudence, which has been consistent, there should be a dividing line in such matters to indicate whether provincial civil rights are being encroached upon or whether the federal authority is exercising its responsibility for regulating both international and interprovincial trade. This was the opinion expressed by Mr. Justice Rand in Murphy v. C.P.R. when he wrote, at page 641:—

The judge quoted from that case, as follows:

This diversity in structure and the scope and character of power over interstate trade and commerce, although illuminating in its disclosure of variant constitutional arrangements, suffices to require an independent approach to and appraised of the question before us. Section 91(2) of the act of 1867 confides to parliament, "Notwithstanding anything in this act", the exclusive legislative authority to make laws in relation to "The Regulation of Trade and Commerce". By what has been considered the necessary corollary of the scheme of the act as a whole, apart from general regulations, applicable equally to all trade, and from incidental requirements, this authority has been curtailed so far but only so far as necessary to avoid "the infringement, if not the virtual extinction" of provincial jurisdiction over local and private matters including intraprovincial trade—

If the federal government uses the authority of the Caloil decision to support its argument that Bill C-32 is constitutionally valid, I suggest that all hon. members ought to look at the judgment for themselves, and I contend that the second Caloil case would lead one to a conclusion different from the one the minister suggested to us this afternoon.

The federal government, under clause 36 of the bill, is asking for extraordinary powers with which to control the market of a product which belongs to a province. If this is allowed to happen, if the government is allowed to control a market without showing that there is some overriding national interest for bringing a product, the control of which is vested in the province, under federal authority, then the government will be given the power without needing to declare any emergency to control the price of any product in any province, merely because that product will cross a provincial boundary. Surely the constitution of Canada never envisaged that power being given to the federal government under the trade and commerce provisions of the BNA Act. This is very interesting because there has never been an attempt to impose an extraordinary power such as that couched in clause 36 on a provincial resource outside of a national emergency such as a war. The reason is obvious. Clearly it is not the intent and the purpose of the federal powers in the constitution to do so.

● (2030)

If this bill goes through in this way, the precedent is set. While it may not necessarily be right in law and it may some day be challenged, there will be a clear precedent of a federal government deciding to use one part of Section

91 as a means to control completely the price of a product produced in a province of this country. I suggest it is a sweeping power which, barring some evidence that there is in some way or another a national emergency either in existence or apprehended, was never intended to be given to the federal government under our constitution.

I am addressing my remarks to the constitutionality phase of this question because this is not a matter which pits one province against another. It is a matter of far greater importance than the issue which has been giving us so much concern in the House of Commons over the past number of months, and perhaps will for some time to come.

If this sort of power can be taken by the federal government under the guise of trade and commerce, there is literally no limit to how far the federal government can go in controlling the commerce and aspirations of any province. I am not just referring to an oil province in Canada, but also a province that produces hydro electric power, as does the province of Quebec, a province that produces pulp and paper and minerals as does my province of British Columbia, or the province of Ontario which produces so much of the industrialized merchandise which is vital to the trade of this country and so much of which is domestic.

This is a matter which needs a most extraordinary and careful consideration because clause 36 goes far beyond what is needed unless, as I say, the minister is prepared to state that we have a national emergency. If the minister is prepared to say that, let him come before the House and say that we are faced with a national emergency and must ask for very extraordinary powers. If that is necessary let the minister do that, keeping in mind the spirit of the constitution which gives the Government of Canada that power on the basis that it proves to the satisfaction of the House of Commons that there is a national emergency and national need that require this extraordinary legislation.

However, we ought not quietly accept a piece of legislation which, in its real effect, circumvents the constitution and arrogates unto the central government powers far beyond what Section 91 of the constitution and the decided cases in the courts since confederation would ever have allowed to a federal government. I ask all hon. members to give this very serious thought before passing this bill.

Mr. Macdonald (Rosedale): Mr. Chairman, to support his argument the hon. member for Vancouver South purported to quote me from page 916 of *Hansard* for October 31. He quoted me out of context in that particular regard.

The remarks made at that point were not about Parts II and III of this bill, which are the parts to which the hon. member directed his argument and put so much substance. They are with regard to Part IV, Division II, which is a narrow application for the financing of transportation costs in the event of the kind of international effects that we had last year. The use of this very narrow reference in support of his particular argument is without foundation.

I was interested to hear the hon. member say that all provinces would be concerned about this. He made particular reference to the province of Ontario in this regard, saying this bill would perhaps put into challenge the right of that province to price from time to time its own manufactured products. I suppose the best answer, apart from the legal answer, is the fact that the premier of that province, the provincial treasurer of that province and the Ontario government have specifically besought the federal government to seek and to exercise the powers created by this particular bill. From the standpoint of that particular province, as a consumer in Canada, they regard this as an appropriate exercise of federal power. Indeed, I think one can say they are grateful that this parliament has not sought to—

Mr. Baldwin: What does Quebec say?

Mr. Macdonald (Rosedale): They agree the same way.

Mr. Fraser: The minister stated I took his quotation from page 917 of *Hansard* for October 31 in too narrow a context. If the minister would now say there is no analogy between Bill C-32 and the emergency bill which was passed at that time, I would be very interested in that comment. I say to the minister, through you, Mr. Chairman, that the thrust of my remarks this evening were that nobody is saying the central government does not have this power if it says the emergency calls for it. However, we are saying there is no indication here that these extraordinary powers ought to be called for unless an emergency is established.

When I referred to the provinces I did that for a very real reason. The minister will recall that I said the issue which is being debated, especially with regard to clause 36 of this bill, will be around for a long time after the present problems we face with regard to oil and gas in this country are resolved, or have somehow ceased to have as important a consequence to the country as they now have.

The principle to be upheld is whether we act in these matters within the constitution or whether we circumvent it. I am sure the minister would be the first to say that just because we have asked for these extraordinary powers with regard to petroleum does not mean for a minute we would do this with respect to pulp and paper in British Columbia. That is all very well. Ministers have said that sort of thing in the past. However, as all hon. members know, once you set a precedent it gets easier and easier to do something that somebody should have got up and said could not be done under the constitution of Canada. That is my point. I am sure the minister realizes full well my concern.

I say to the minister that if this legislation is essential, if it has to be done in the interests of Canada, if it is to solve an emergency problem or an apprehended problem, that is one thing. However, the legislation should be drafted in that form. To try to circumvent that aspect of the constitution by coming in under trade and commerce is a very dangerous precedent.

Mr. Macdonald (Rosedale): I repeat, Mr. Chairman, the citation again made by the hon. member does not support his argument. It is rather unfair for him to try to put those words in my mouth. Second, of course we have the power in an emergency under the constitution, to exercise any of the powers conferred on the provinces under Section 92. We do not have to seek that in the case of regulation of interprovincial trade. That is so well established that no further citation should be required.

● (2040)

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I wish to join with my colleague, the hon. member for Peace River, in congratulating and thanking the minister for giving the outline he did this afternoon when opening the debate on the re-introduction of Bill C-32. The minister mentioned that the objectives of the government were a single price across Canada, which all parties believe in, and the bill would provide for compensation to the eastern provinces to the extent that they had to buy their oil from offshore to achieve that single price.

The minister went on to mention that the price setting referred not only to the price of oil but also to natural gas and synthetic oil, and compared the old bill C-18 and Bill C-32 and told us the reason for the changes. He confessed quite frankly that the conference held last week was not able to find a consensus and now the government is engaged in bilateral discussions. Most important, Mr. Chairman, he gave to this House an order of priority which I think in all fairness was clearly put and frankly stated.

The first priority has to be gas export prices for the reasons the minister mentioned. Second, the domestic gas prices are next in importance. These are both crucial to the running of our industries in Canada. And away down the bottom of the list of priorities was the question of domestic oil prices.

All the heat which has been going into the debate across Canada these last 18 months has been focussed on this so-called energy crisis relating to the so-called shortage of oil in the world. No person today in his right mind would say for one second that there is anything like a shortage of oil in the world. What the complaint is all about is that the western world was caught stealing in the last 50 years the oil from the Arabs, and when this stealing stopped—

Mr. Benjamin: The same companies stole it from us.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I don't care whether the Arabs live in the Middle East, Alberta or Saskatchewan. My point, Mr. Chairman, is that what we are dealing with here, the so-called difficulty, is trying to arrive at the single price which the minister described this afternoon. And surely price setting is not a national emergency. I just emphasize this because the minister set out his priorities very clearly and he brings the question to a point. But what is the issue all about if all we are discussing is a single price? And I have to say, Mr. Chairman, that the issue about which we are really quarrelling in Canada has no relationship at all to this bill.

The key question which is causing the difficulty to the minister, the same key question which is causing difficulty in arriving at a consensus, is that we have a budget in place which is a declaration of open war on every provincial government in Canada. The budget of last May, repeated again on November 18, which included even those minor modifications on exploration, is an open declaration of war by the federal government on each provincial government. Until that issue becomes clear there will be no solution to the problems faced by the minister in trying to get a consensus among 11 governments on the question of price.

The province of Ontario's case at the conference last Wednesday was devastating on one point—that the price granted by the governments of the west voluntarily in 1974, raising the price to $6.50 as their contribution to national unity, resulted in very little of that increase going to find new sources of oil. Everyone knows the figures.

In Saskatchewan, if the price goes up, all the increase is taken by the provincial government. So today we have a situation in Saskatchewan that every time a company produces a barrel of oil it loses between 11 cents and 35 cents a barrel. Many of the figures I am quoting are based on the unaudited figures for 1974, but they are close enough.

In Alberta the case is slightly different. After two budgets the oil companies averaged, I think, about 11 or 13 cents a barrel in profit. Then the provincial government gave way a little and returned part of the federal taxes to the oil companies of that province, and now the oil companies in Alberta receive over a dollar a barrel. Their own figures are quoted at $1.18. By contrast, in Saskatchewan the average oil company loses a few cents a barrel.

Ontario's case was pretty devastating. What is the use of granting an increase if it is all going to be taken by the provincial government of the producing province and by the federal government?

I'm looking at a chart of the Alberta government and the figures are a little different from those in Saskatchewan. But after the two budgets of last year the cost of bringing the oil to the surface—let us call this operating costs—was 50 cents a barrel. The cost of drilling and exploration, spread over an average in the last 25 years, amounts to $1.35 a barrel. The thing that annoys me, as a Canadian who comes from western producing areas, is that the bulk of that $1.35 is not cost at all; the bulk of that $1.35 is the cost of borrowing money; it is interest charges. The provincial governments, in my view, are not only indifferent to how the wealth of the provinces is being stolen by those who lend money, but they show no intention of changing things.

When you go above the line, industry in Alberta after two budgets, got 13 cents a barrel. The provincial government in Alberta got $3.34 a barrel compared to the industry's 13 cents. The federal government jumped up its take to $1.18. Talking about Saskatchewan, where the Saskatchewan government gives the same information it shows that the federal government not only gets $1.18 but gets an extra $5.20 to boot. So we have the federal government getting $6 a barrel out of each barrel.

That's where all the federal money comes from to try to do all the things it wants to do—to compensate the people in the east and to help run the country. But that money is being taken from the people of the producing provinces in the form of the export tax and in the form of corporation taxes.

I am simply pointing out that one key factor in the conference last week which made it impossible to reach a consensus was that the price increase which was agreed to by consensus in 1974—in March—did not produce one extra barrel because it all went to greedy governments, provincial and federal. These are the records as quoted by

the province of Saskatchewan, as quoted by the province of Alberta, and as quoted by the oil industry.

So I come back to this one conclusion, Mr. Chairman, that the minister's problem in getting the consensus he wants is that he must put the finger on the Minister of Finance and look to him to get out and end this quarrel over resource taxation, a quarrel which is patently irrational when the two levels of taxation, of the provincial governments in B.C., Alberta and Saskatchewan and Manitoba, added to the federal taxation, are greater than 100 per cent. That, of course, applies to mining as well as to the oil and gas industry. In respect of mining I include potash, which represents an average of some 87 per cent tax liability.

● (2050)

It is a frightening thought that two levels of government can get themselves into a quarrel over resource taxation and impose a tax liability on private companies of greater than 100 per cent. I suggest this means only one thing, and that is that private enterprise has to go in the four western provinces. Private enterprise has a tax liability in British Columbia that is going up to 185 per cent in respect of some types of mining. That is why five companies have closed down, with hundreds of men being put out of work in B.C.

In Saskatchewan we are pretty small potatoes with only 18 oil fields in my district, and probably as many in the district of the hon. member for Swift Current-Maple Creek. In southwestern Saskatchewan they have probably closed down entirely. They are still working in my area in the hope that rational men in this House and rational men in the provincial legislature of Saskatchewan will force their governments to get together as Canadians and find some sort of resolution to the situation of tax liabilities greater than 100 per cent.

I am not entirely lacking in constructive ideas about what should be done. Let me remind the committee that we will have another conference. I have made this suggestion before, and I make it again. If any government, at the provincial or the federal level, is serious about making this federal system work then there must be a position paper or two before a conference assembles, and these position papers should contain alternative proposals.

The only province that came to this last conference with a clear-cut alternative proposal was the government of Saskatchewan. The federal government should come to these conferences with these proposals. If it does not have such proposals it should inform the various provincial governments ahead of time. I do not see how these governments can make agreements before the television cameras. You cannot have meaningful negotiations and settlement of national issues unless you have working papers beforehand, on which there is general agreement as to the facts and figures.

What we saw at the conference last week was not a meeting of minds, with people prepared to make conclusions on a common basis of fact. What we saw was a deliberate confrontation, with the federal government on one side taking a position right off the bat in the opening speech. I heard the hon. member for Nanaimo-Cowichan-The Islands put it very succinctly this afternoon. The federal government came off the starting block with the words of the Prime Minister who said the government had looked the situation over, had examined all the facts, and had concluded that the price had to go up. When you have a federal government taking this position it is obvious that there is going to be a confrontation, particularly when the government knows full well in advance the position to be taken by Ontario. In this case we had the federal government standing for high prices and the provincial government of Ontario standing for low prices.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

This reminds me of the circumstances we faced the last time we discussed this matter. Since we last discussed Bill C-32 we have seen the government switch directions three times. At first the minister told us we had to accept the Montreal price, or the world price. Then we entered the so-called anti-Arab period when you might have thought that every Liberal in this country stood for low prices. They were then zigging instead of zagging. The last change came during this recent period that I call the post-election period. Now the government is for high prices. The government was first for high prices, then for low prices, and is now for high prices again. It has been zigging and zagging in every direction, and I know why it has been doing so.

First we had the Syncrude deal which tied the country to high prices. We have the National Energy Board pressing for higher prices, we have the Economic Council of Canada pressing for higher prices, and we have the experts in the Department of Energy, Mines and Resources pressing for higher prices. I can understand why the government has changed its stand. It now has the election over and we are seeing a high-price type of zagging.

Let me repeat again what I said earlier when the budget was presented to us in May. That budget was just a bargaining position. The government was throwing its tough stand out. I paraphrase the Minister of Justice from Saskatchewan. He said that we have to teach these provinces that they cannot steal as much as they are stealing. The bargaining position that was set in the budget of May was not changed in the budget of October. All we have seen since the big declaration of that time is the government's position that it is going to make provincial taxes and royalties non-deductible, but if the provincial tax return is over 50 per cent then the government will bring in a federal tax of 50 per cent and we will then have a tax level of over 100 per cent. This means the end to private enterprise.

The NDP members to my left will shout hurrah to that suggestion, and the record of what they have said will indicate that. Why should a party calling itself Liberal also shout hurrah, and that is the question to be answered. They are not using this bargaining position. The Minister of Finance has been asked to go out and approach all these people, and lay down some positions which they might be willing to accept.

I suggested in my speech in response to the budget that the government should go out and suggest that the provinces were wrong in putting their taxes and royalties up so high. This government should tell the provinces that it wants them to bring the taxes down. It should present a figure in respect of which it will make taxes deductible, up to that figure and no more, and thereby get something on

paper so that the provinces will know what they have to bargain against when making their case.

It is not for me to say what that figure should be. I am simply saying that the federal government has to discuss the matter with its opposite numbers in a federal state before it can get agreement. In support of that statement I intended to quote the position of the government of Saskatchewan as made by its minister of resources, the hon. Mr. Cowley, and I was going to quote from the statement of the attorney general for Alberta. On the basis of what we know at this moment I do not think the position of Saskatchewan and Alberta can change very much in regard to this constitutional issue.

The minister is making a lot of waves tonight by saying that Ontario is asking for this type of legislation. I wonder what Ontario's attitude will be next week when it has had time to think through the statement of the Prime Minister. I am not going to quote what has been said by the provinces of Alberta or Saskatchewan because my colleagues, who are much more learned than I, have discussed this better than I could.

I should like to ask the minister this very simple rhetorical question. What kind of Canada do we want? I have the suspicion that the great majority of the members in this House, Liberal, Conservative, NDP and Creditiste, are secretively proud of the fact that of the half a dozen countries with a federal system in the world today, in spite of our constant difficulties, ours is the one that is working fairly well, and I am sure most would like to see this federal system continue.

Let me warn the minister and the government again of that party's own history. Every time the Liberal party has tried to centralize power here in Canada it has got itself into serious trouble with the people of Canada. I do not have to remind them that the people of this country, instinctively in setting up their constitution in the beginning, tried to get a balanced set-up to give the main thrust and power position to the central government, but they did not fully trust the giving of the power to the central government so they kept power over civil rights, property and resources, and that was placed clearly in the hands of the provinces. This was to be the counterbalance against all the power given to the central government to give strong leadership, in contradistinction to the American type of federal system.

● (2100)

I think the majority of the people of Canada believe this is still a good system but they are suspicious when the central government, which has in time of emergency to take on great powers, begins to expand its emergency power into peacetime. I know some people believe a theory that the people of this country are not bright enough, and that members of parliament are not bright enough to make laws, so we must turn the power over to what they call the technocrats, the public servants.

I am simply warning the members on the government side tonight that we cannot maintain this federal system by centralizing power in peacetime without causing serious trouble. The minister has heard of the proposed amendment that is based on the allocation bill. I should like to ask him whether he would object if we placed a time limit on the emergency power so that the emergency power would have attached to it, say, a three-year time limitation.

Mr. Macdonald (Rosedale): Well, Mr. Chairman, I do not follow the hon. gentleman. This is not in any sense based on an emergency position but is founded, as I pointed out a few minutes ago and as I said earlier, on the constitution and the fact that the regulation of interprovincial commerce falls under the responsibility of the federal government as a sensible tool under a federal system. So the introduction of a time limit in respect of an emergency power is irrelevant. The basic question is whether we are to have a national market in Canada and, if we are, then the responsibility for that should be with the federal government. In respect of oil and natural gas this is an extension of the powers exercised for many years.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I think that clarifies the issue for many of us because Bill C-32 really is to put into effect the consensus agreement reached on March 27 between the 11 governments. But what we object to are clauses 36 and 52 which say that, if there is not agreement between the government, the government in the form of the minister has unilateral power to decide what will be the price. When you give the minister unilateral power over what the price will be obviously this power is given to a government only in an emergency, because the constitutional power over civil rights and property and resources lies purely in the provincial field. The spokesman for our party, the hon. member for Peace River, made clear that we would support this legislation if it will be used only when the government declares there is an emergency. This was the position of the hon. member for Vancouver South. What we are trying to say is that we want to help the government retain the power to make decisions when it cannot obtain agreement, but that this must be done in harmony with the constitution.

We have the precedent of the allocation bill which simply says that if an emergency is declared we can use the power given by this bill. I am asking a simple question to test the sincerity of the minister and the government. We are willing to go along with this on the basis that it is in harmony with the constitution before these powers are declared. It must be within the constitutional framework of government price-setting.

All the legal jurisprudence is against the government. We have the case quoted by the hon. member for Peace River this afternoon, the Hughes case, the most recent case. I am not a lawyer, Mr. Chairman, but I have read the case which appeared before Mr. Justice Hughes. The arguments used by the lawyers in this case for the company, CIGOL, were exactly the same as the federal government is using in this bill. After long consideration this very able judge at the Queen's Court level looked at all the precedents and came out flatly and said that there is only one level of government which, by law, can steal. This case in Saskatchewan is reported in layman's English. It says that a provincial government which owns these resources can steal all it wants because they belong to it. What is wrong is when someone else also steals. You cannot have two

thieves operating in the same chicken yard at the same time. But that is what is happening.

Here we have a government which is hungry for money and jealous of the provincial government because it is getting so much, jumping in and saying that it wants as much. The result is that the sum total of the thievery is greater than the number of chickens in the chicken yard. I am not a lawyer so I am putting this in terms that the public will understand. We have this silly story of resource taxation. Until it is resolved there will not be an agreement between the governments on this question of price which the minister wants. We must have this law in order to carry out the function of having a fair price across Canada and in order to compensate the people in the east. Of course I have in mind 13 other things I should like to see in this bill.

Essentially we are told that the villain in the piece is the Minister of Energy, Mines and Resources, but the Minister of Finance has got booby-trapped into an irrational position. That is why his friends want him to leave the country for the next four or five years so that another minister can make the retreat from Moscow in his place.

I suggest the issue comes back to the government. I have a suspicion that even though the minister is indeed a lawyer he is no more an authority than I am on this legal jurisprudence, and that the two of us should keep pretty quiet. I believe the question we must answer in respect of this bill before we can get peace with the provinces is the question of the budgetary provisions on resource taxation.

Just to repeat what must be an old gramophone record, there are two types of proposals which can be made on this very issue which I think will bring peace. One of them is to suggest that on existing mines, and oil and gas fields, the federal government state the level at which it will accept provincial royalties and taxes, and make them deductible. Once the federal government states its position, the provincial governments will know they have to come down here, bargain, and come close to that position, or there will be no agreement. That is the first thing. Secondly, if the federal and provincial governments are sincere, they will know that both have a mutual problem to extract more oil and gas either from the traditional fields or from the new synthetic fields.

● (2110)

I have suggested what many people consider to be a radical or revolutionary proposal, namely, that we accept the fact that these new ventures are beyond the financial competence of any of the big oil companies because they cost so much. If the House wants the figures, here they are.

The average cost of finding a barrel of oil a day from 1946 to 1972 was $400. Now the average cost of finding a barrel of oil a day in the frontier areas is approximately $10,000. The average cost of finding a barrel a day in the tar sands on the basis of a $2 billion plant is $16,000 a barrel. That is certainly different from the $400 of a few years ago, and the provincial governments cannot generate enough dollars to finance such ventures.

I am suggesting that the governments and the industry together do a very simple thing, namely, that they enter into a contractual agreement, or a joint venture, under which the governments will simply agree to stay off the back of the industry until it can pay off the debt. If the money that comes in from the oil and gas goes to pay off the debt, instead of a 15 to 25 years pay out, with 50 per cent of the value of the product going to pay interest, the debt can be paid off in four years and the money lender shaken off your back. Then there will be several times more money for the provinces. In fact the provinces, as the owners of the resource, will be the ones to profit most. The federal government will get much more today, and the industry will get all its money back with a big fat bonus of 20 per cent or 25 per cent for having taken the risk.

What is wrong with the concept of getting more money out of the resources? The only thing against it, as stated by the Minister of Finance, is that this is not the way such ventures are financed. He sounds like a banker. They say they have never done that before, so it must be wrong. I am simply pointing out to the committee that the government of Great Britain, which at present is socialist, has accepted such a proposal. What they do is to say to these big expensive ventures in the North Sea, "We will only charge you a small royalty, the traditional one-eighth or 12½ per cent, but when you repay that debt, we will take approximately 45 per cent."

What they do in Great Britain is to give to a company, as a quick write-off procedure, 175 per cent of the value of the investment, which means that they get their investment back, they get their interest back, and they get a big chunk extra to pay for the loss on other wells as well. Because of the value of oil on the world's market, they pay off the debt on these $2 billion and $3 billion oil field ventures in four years. Then the people of the United Kingdom collect 50 per cent or 55 per cent of the total value of the product, and they get the value of the high oil price. This is not what happens in our country. In the United States and in Canada we worship at the shrine of paying interest all our blooming lives.

Mr. Gilbert: How true!

Mr. Hamilton (Qu'Appelle-Moose Mountain): When a person today buys a home for $50,000 it takes him 30 years to pay off the mortgage, and he pays $150,000 in interest on top of the $50,000. We love paying interest, and that is what we are forcing the companies to do.

Mr. Benjamin: How right you are!

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is what we are forcing ourselves to pay. The whole value of the resources of our country goes into paying the interest because the provinces want the money today and they say, "To heck with the dollars tomorrow, we will take the pennies today."

That is the proposal I made in the committee a year ago and again last fall. I spoke 18 times on the budget. I will keep talking about it because it is obvious that this proposal is fundamentally sound. Certainly many people comment on it, but in general there is agreement. If you do not have the capital in place, and if you have to wait for 25 years to save it dollar by dollar, you can achieve the same by accelerating the flow of the capital. Using the capital three or four times in 20 years is the same as having four times the amount of capital. The only thing wrong with

the proposal I made is that it reduces the power of those who look after our money. Their place in the social spectrum disappears.

Some hon. Members: Hear, hear!

Mr. Baldwin: The NDP are approving what you are saying. You better watch it!

Mr. Gilbert: Sinclair Stevens will really like this.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I plead with the Minister of Finance to listen to the Minister of Energy, Mines and Resources whose statutory responsibility and right it is to ask the Minister of Finance to protect the mining and resource industry. Let him speak up for the mining people and for the oil people.

I ask the Minister of Energy, Mines and Resources to put pressure on the provincial governments with regard to new mines and oil fields and tell them, "If you all stop being greedy, you will all get more money." Even a provincial premier or a provincial minister will respond to that. I ask the Minister of Energy, Mines and Resources to press the Minister of Finance to amend the tax laws, to encourage the people to save increasingly and to invest. The one way to make money is to invest in the shares of the resource industries in Canada. The best way to ensure a good return on these investments is to make certain the senior capital is paid off fast, and not only will the provincial and federal governments be better off but so will the shareholders. Let the people of Canada as individuals own this country, not the provinces or the federal government.

I do not believe that the great majority of the members of the NDP want any form of socialism. I know them.

Some hon. Members: Oh, oh!

Mr. Hamilton (Qu'Appelle-Moose Mountain): There are only a few aberrations that got into the House.

Mr. Knowles (Winnipeg North Centre): Tell us what the Tories want.

Mr. Gilbert: Tell us what Sinclair Stevens wants.

Mr. Hamilton (Qu'Appelle-Moose Mountain): In winding up my remarks I am pointing out that the great majority of members of the NDP across this country, the labour people, do not want socialism, do not want technocrats ruling this country, and they will go for a program whereby individuals own this country. Therefore I suggest that the Minister of Energy, Mines and Resources take into account the debate he has heard today and the comments made by some pretty good Canadians, such as the hon. member for Peace River, who proposed a compromise and took this out of the House in December.

We do have some constructive proposals whereby the minister can retain his power if he does it within the framework of the constitution. I hope that he will not only be flexible in looking at these amendments to improve the bill but will try to achieve that consensus, if possible without having to use the bill, by getting the Minister of Finance to change his position. As Bonaparte could retreat from Moscow, so can the Minister of Finance retreat from his irrational and silly budget.

● (2120)

Mr. Stanfield: Madam Chairman, perhaps as I have been described as a socialist conservative, I can make a constructive contribution.

Mr. Knowles (Winnipeg North Centre): Just like Saturday night.

Mr. Stanfield: I am surprised to find that the hon. member for Winnipeg North Centre is spending his time in such a frivolous way.

I would like to emphasize something the minister himself has made pretty clear today. Following the failure of the recent conference of first ministers to reach a consensus on the price of crude oil in Canada—leaving natural gas alone for a moment—the premiers, the Prime Minister, the minister to some extent, the government establishment and the functionaries who talk to the press immediately gave the impression to the Canadian people that in the absence of a consensus involving all of the provinces and the federal government, the federal government would have no alternative but to seek these powers under Bill C-32, and to use them.

The minister was frank enough to say today that what is really involved ultimately would be a consensus between the federal government, representing the views of all the Canadian people, and the producing provinces. It would be very helpful, of course. Everyone would like to see a consensus involving not only the federal government and the producing provinces, but the federal government and all the provinces, including the producing and consuming provinces. But I do not think the spokesmen for the federal government should try to give the Canadian public the impression that, failing a consensus involving all the provinces, the federal government has no recourse but to invoke legislation of this sort, whereas I think the Minister of Energy, Mines and Resources has stated quite clearly that these powers he is seeking would, in his judgment, not be necessary if the federal government could achieve a consensus with the producing provinces.

I think the country as a whole should understand that this consensus in the last analysis is necessary for the federal government to see, in effect, a level of petroleum prices which is satisfactory to the country, much as the desire, no doubt, to see a consensus which included the consuming provinces. It is not necessary for me to labour that point but—

Mr. Guay (St. Boniface): Oh, oh!

Mr. Stanfield: I know I am not in the same class as the hon. member for St. Boniface, and I frequently thank my maker for that.

Mr. Guay (St. Boniface): On a point of order, Madam Chairman, I just wanted to make sure that the Leader of the Opposition knew that nowhere was he close to the manner in which the hon. member for Qu'Appelle-Moose Mountain brought this matter to the attention of the House a while ago. He does not have the same enthusiasm or the same phraseology, and I thought I would bring that to his attention.

The Assistant Deputy Chairman: Order, please. This is far from a point of order.

Mr. Stanfield: I would like to express very earnestly one or two concerns to the minister, even if my expression of these views lacks the fervour and the authority the hon. member for St. Boniface would like to see. I say without reservation that I recognize there could be a movement in oil prices within our country which would cause such a dislocation in our economy and such problems for the Canadian people that, with the authority of this parliament, the government would certainly be justified in intervening to prevent that from happening. I want to make it very clear at the outset that in no circumstances would the federal parliament be unjustified in moving into this situation, but I want to say that I have a great deal of difficulty with the minister's argument that constitutionally this parliament can authorize the government to fix the price of petroleum in this country whether there is any urgency or not, and can base such legislative action simply on the trade and commerce clause in the BNA Act.

I find it very difficult to accept, constitutionally, that in the absence of any urgency or emergency the federal parliament has this power to fix the price of something indefinitely, simply because it moves in the commerce of the provinces. That, it seems to me, is a very far reaching constitutional argument to make.

Second, quite apart from the constitutional argument, I feel very uncomfortable being asked to vote in favour of legislation whereby this parliament gives to the Government of Canada the right and the power indefinitely in the future to fix the price of petroleum products, to fix the price of crude oil and the price of natural gas, with no time limit, no anything. We are being asked to give this power to the government indefinitely in the future. I think this is a very unwise request to make. I do not have such confidence in—well, I will not get into that. I will not say it in a light that would seem to be argumentative, reflecting in any way on my judgment or on the judgment of the government.

I just say that I am deeply bothered at being asked to vote in favour of the Government of Canada being given this power indefinitely, a power which would continue, having no relation to any sense of urgency, indefinitely in the future. I think that is a very questionable power for the Government of Canada to ask for, quite apart from the constitutional arguments which have been made. I think that those who have objected to this legislation on constitutional grounds are correct but, even if they were wrong, I do not think the Government of Canada should seek this power on an indefinite basis, and I do not think I should be asked to vote this power in the government on an indefinite basis in the future. There are many reasons for this.

● (2130)

I do not think one has to be cynical or skeptical to recognize that the power of the government to fix the price of petroleum indefinitely into the future could very quickly and readily become what is generally called a political football. There could be enormous political pressures develop in connection with the judgment that the government would exercise from time to time as to what this price should be. It is always going to affect a lot of people. There will be no possibilities of any market influences in this connection.

One can argue, I know, that there is no market influences at work now, that at the moment everything is rigged by the OPEC countries. This may continue indefinitely, or it may not. But once the Government of Canada has this power, and this statute stays on the statute books with these provisions in it giving the government the power to fix the price of petroleum and natural gas in Canada, then the Government of Canada, whatever its political complexion may be through the years, will have in its hot little hands something that will continue to bring enormous political pressure upon it to do not necessarily what is in the interest of the country but what may seem from time to time to be politically expedient.

Normally powers like this are not exercised directly by government. Public utilities, telephone companies—

Mr. Guay (St. Boniface): Heavy water plants.

Mr. Stanfield: Well, the hon. member can be funny if he likes, but this is a serious matter.

Mr. Guay (St. Boniface): It is a very serious matter.

Mr. Stanfield: The price of heavy water is fixed by contract. As I was saying, normally pricing is regulated by some independent commission, such as a public utilities board, the Canadian Transport Commission, or something of that sort. In this case the government is taking directly into its own hands the power to fix prices, and it is going to be subjected directly to all the pressures that this involves.

I am not suggesting that, if it is necessary for the Government of Canada in the year 1975 to fix the price of crude petroleum, in this country, this should be delegated to a board. In the circumstances, if there is such urgency it is a responsibility that should be accepted directly by the government. But I think this House should think for quite a long time before placing in the hands of the government—this government and governments that may succeed it—the responsibility and power to fix the price of petroleum products in this country, at least at the crude oil and natural gas stage.

That is all I want to say, Madam Chairman. There is the constitutional difficulty that I see. And quite apart from the constitutional difficulty there is the wisdom of this House voting this responsibility and power to the government on an indefinite basis.

Having said that, I repeat that I and, I am sure, my colleagues are quite prepared to recognize that the need may exist for the Government of Canada to act on behalf of the people of Canada. It may exist in the year 1975; it may arise from time to time in years to come. But this power should be hedged around in a manner that indicates it is used only in cases of urgency. It is not a power that the government should have or should be given on a routine basis.

Even if the minister refuses to agree with and rejects the constitutional arguments which I think are valid, if he will recognize the danger involved in the government and its successors having, without limitation or restriction,

without any ordinary procedural safeguards, the power to fix the price of petroleum products through the years, there can be a meeting of minds across the floor of the House that will provide the government with the powers it needs to safeguard the interests of Canadians in a situation of urgency. As I have said, if such a situation does exist in this country in the year 1975, or exists from time to time in the future, the government will have no difficulty getting this authority. But it will have a great deal of difficulty getting agreement from me at least to having this very large and unrestricted power to be exercised according to its whims indefinitely into the future, whether there be urgency or anything else to call upon its use.

Mr. Macdonald (Rosedale): Madam Chairman, I must say that the intervention of the Leader of the Opposition is an interesting one because it reflects certain aspects of his thinking with regard to the current petroleum and natural gas pricing situation in Canada. It also gives some indication of his concept of the kind of market that we have for petroleum and hydrocarbons, not only in Canada but throughout the world.

The Leader of the Opposition says that there may be an emergency situation, that there may be urgency in the year 1975. He is not convinced that there is. Obviously he does not think there is at the present time. Substantial opinion has been expressed—it is not just a case of my views against his—to the effect that even the slightest increase in this year, given the current circumstances surrounding the economy, would be against the interests of Canadians. This particular opinion was very prominently displayed last week at the conference.

When you really analyse the opinions in both directions in this regard, the final opinion that comes out is certainly that represented by the premier of Ontario, who said that this was the kind of situation not only in which we should keep the maximum price at the level of $6.50 but, as well, that we should proceed by this specific bill to exercise the jurisdiction that the premier obviously thought rested with the Government of Canada to maintain these maximum prices in Canada for both oil and natural gas. So it is an interesting concept that the Leader of the Opposition has. First, he does not share the opinion that there is the least urgency to the situation; and he has rejected the viewpoint that was put forward at the conference.

The second comment that I should like to make concerns the argument of the quality of indefiniteness of the time limit. No member now sitting on that side had the responsibility for introducing the legislation in 1959—the hon. member for Qu'Appelle-Moose Mountain was here a moment ago—that established the National Energy Board and, at the same time, established a national oil policy that fixed prices in Canada. Incidentally, they were prices that were above the international price of oil, and which in part of the Canadian market required consumers to pay more than would otherwise have been the case had market forces applied. So I find it strange to hear the Leader of the Opposition say that there is some inherent evil in the quality of indefiniteness in this bill.

● (2140)

He suggested there is some inherent evil in provisions for fixing the price of petroleum. After all, it was done for 12 years, without the horrors the hon. gentleman sought to conjure up in his statement, and without the adverse influences he mentioned. On the whole, I must say that although I resided in that part of Canada which, through those years, had to pay higher prices for petroleum as fixed by the legislation passed by the government of which the hon. member for Qu'Appelle-Moose Mountain was a member, it was an effective exercise in jurisdiction. That legislation was undoubtedly the source of the present prosperity of the Canadian petroleum industry. Although Ontario had to pay more in the long run, the country prospered. I suggest that the indefiniteness of the powers sought by the Diefenbaker government for fixing the price of petroleum, powers which were invoked by that government and by successive Liberal governments for close to 12 years, did not involve any of the horrors which the Leader of the Opposition tried to conjure up tonight.

I suppose one of the most meaningful commentaries on the thinking of the Leader of the Opposition is his notion with regard to a return to market influences governing the price of petroleum. One wonders what the Leader of the Opposition thinks will happen in the international petroleum market. Certainly, no matter whether market forces had any bearing in the past on the price of petroleum, and this has been a matter of great debate, it is clear that, given the continued involvement of producing countries' governments in the exploration, development and marketing of petroleum, markets and market prices as we knew them in the past are things of the past. There will be a distinct political influence in this field and it is important for the Government of Canada, not just this government, but succeeding governments, to be given the ability to take action in order to protect citizens of Canada with regard to the price of commodities as fundamental as petroleum and natural gas.

There are distinct differences in our opinions, Madam Chairman. Indeed, we do not say that, under our constitution, only an emergency will permit the federal government to act. Such powers were available over the years under the National Energy Board Act, under which the price was maintained at a level higher than it would have attained under market forces.

As the Prime Minister said, we, in my party, want to balance supply, and the inevitable impact of price increases on supply, with the inflationary effect of the increased price of these commodities and the fiscal and economic drag which these increases could impose on the economy at this time.

Mr. Bawden: Why not change your tax levels?

Mr. Macdonald (Rosedale): We have received a clear indication from consuming provinces, from the hon. gentleman's native province, from my own and from others, that they regard the situation as so serious that we should not take action to allow prices to go up at this time and that we should, indeed, exercise our powers under this bill.

I think the Leader of the Opposition stated the issues clearly. There is a difference between his viewpoint and his party's viewpoint and that of certain of the provinces and of the federal government. We, on our part, are concerned to exercise control over market prices. We will make every attempt to get the agreement not just of

producing provinces but of all provinces to the appropriate price level for these commodities. We will do our best, with the producing provinces, to arrive at a fair level of price.

Under our constitution some level of government must have responsibility. We suggest that if any level of government should be responsible for deciding what the price level ought to be, surely it should be that level which is responsible to all the people of Canada, and which has the support of and is elected by all the people of Canada. That level of government should be given responsibility rather than one particular province. As the hon. member for Nanaimo-Cowichan-The Islands said this afternoon, on that basis this power should ultimately reside in the federal government.

This afternoon I alluded to a matrix of discussions which will take place on these difficult and technical questions. We are under pressure, particularly with regard to natural gas, because if no action is taken, under Alberta law that price will be forced up for consumers in other parts of the country who depend on Alberta natural gas. We hope to work out a compromise on that. We recognize that the ultimate responsibility is ours, and that is why we seek the powers under this bill.

Mr. Baldwin: Madam Chairman, will the minister permit a question?

Mr. Macdonald (Rosedale): Certainly.

Mr. Baldwin: The minister mentioned the National Energy Board Act on which, obviously, many of his legal conclusions are based. Did that act not make clear the constitutional right of producing provinces to fix the wellhead price? Conflicting claims about the right to fix prices have arisen in Canada from time to time. Some contend that the provinces alone have the right to fix the wellhead price, and some contend that the federal government, by virtue of the National Energy Board Act, is given certain rights in this regard. For instance, the federal government has authority over the transport and/or export of natural gas and oil and petroleum products and, by that means, can indirectly fix prices. The federal government has always had that right. It has always exercised authority with regard to price fixing. The Diefenbaker government recognized the situation and provided for provincial rights to be left with the provinces.

Mr. Macdonald (Rosedale): Madam Chairman, the hon. gentleman referred to the wish, to the desirability, to give producing provinces the right to keep prices up. He seems to acknowledge the power for prices to be kept up under federal law. He wants the provinces not only to keep up the price of petroleum, but to impose a higher price on certain consuming provinces, a price much higher than they would have had to pay during the particular years we discussed. Let me point out that the price was kept up at a time when the international price was low, and the legislation to which he alludes was a protective device for the assistance of the hon. gentleman's province. If it was within the jurisdiction and competence of the federal government to legislate at that time, to keep prices up, because it was in the interests of the Canadian economy as a whole, surely, by the same reasoning, it is within the jurisdiction and competence of the federal government to do what is proposed in this bill, and to keep prices down when international prices have increased by a multiple of five over what they were previously.

Mr. Stanfield: Madam Chairman, I want to make a few comments on the comments the minister made on my modest intervention. He asked me what I thought the outlook was for the restoration of market conditions for oil, assuming normal market conditions ever existed. I do not know the answer. I have no crystal ball. I do not think anyone knows what will happen in future to international oil prices.

On the other hand I do not think that we should assume that present uncertainty ought to be the basis for passing legislation which is to be of indefinite duration. We should not be asked to assume that conditions will remain substantially as they are.

The minister suggested there was nothing wrong with the National Energy Board in 1959 being given powers of indefinite duration. I suggest conditions were different. Parliament adopted for Canada a well-defined oil policy involving the so-called Ottawa Valley line. The government decided that the market west of the Ottawa Valley line was to be preserved for western Canadian oil. That was a well-defined policy and was to endure, naturally, for an unlimited period in the future. This government is asking for something altogether different. The minister is not bringing forward any reasonably well-defined marketing policy. He is seeking power to enable the Government of Canada for all time in future to fix the market, that is, to fix the price of oil and of natural gas, without regard to any criterion. He is asking for powers far larger and more indefinite in scope than were granted in 1959, in the legislation about which he talked.

● (2150)

The minister talks about the wish of the consuming provinces that the price of oil, for example, will remain stable. Of course they express that view. I am not quoting his exact words, but I heard the minister's leader say that after July 1 the price of crude oil ought to be increased.

I do not know what kind of agreement the minister will be able to negotiate with the producing provinces. I hope in his negotiations he is a little more conciliatory and persuasive than he is in his discussions with me across the floor tonight where he seeks to make points, enlarge differences, and create differences that do not exist. I must say that I noticed this somewhat from a distance in watching his dealings with the oil producing provinces in the past year or so.

There is a very serious condition in our country this year in terms of inflation and the problems faced by our consumers. It runs right through the economy, although until recently there was some suggestion that it was not all that serious.

I recognize that there is a serious problem confronting the people and the government of this country this year. I realize there will be an urgent situation if the federal government cannot reach an agreement with the producing provinces on the prices of oil and natural gas. I am prepared to face that problem. I am prepared to provide

the minister with authority to face that problem. I do not want him to twist my words and say that I am in favour of increases and he is not, when he is the one who said publicly, or through the Prime Minister, that they favour an increase. Now he is trying to skate around and get himself on the side of the premier of Ontario and the premier of Nova Scotia.

An hon. Member: It is you who is skating.

Mr. Stanfield: I am not skating at all. I am trying to be perfectly frank with the minister. He smiles. Members opposite can laugh. I am saying there may well be an urgent situation. The minister will agree that there will not be an urgent situation with regard to pricing if he can reach an agreement. Of course there will be an urgent situation if he cannot do that. However, the minister should not use the possibility of an urgent situation in 1975 to arrogate to himself and his successors large undefined powers of undefined scope and duration at this time.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Chairman, when the Leader of the Opposition starts pounding his desk he may be conceding that he is not too strong in the substance of his argument. The National Energy Board had a national oil policy to maintain prices for over 12 years. The Leader of the Opposition cannot escape that. The power was there and exercised by this parliament without any of the imagined horrors the Leader of the Opposition tried to trot out before us. The fact is that under that particular policy the price was maintained for the purpose of that particular national interest. Now that oil prices have gone four and five times higher than that particular price, we are seeking at this time to exercise the same jurisdiction to make sure it does not have this impact on Canadians.

The Leader of the Opposition made a lot of references to the twisting of words. However, the words are in the statute. They talk about setting maximum prices. On this basis the fact remains that this government is taking the responsibility which it has to keep the Canadian price down. It has through the legislative plan proposed here, largely by consensus because of the difficulty in getting this bill through parliament, acted to keep the price down. We propose to continue to do so. We now seek legislative sanction for the kind of program which was put before the Canadian people and was accepted by them as being in their interest.

The Leader of the Opposition talked about indefinite power. However, he has to confess he does not know what is going to happen to the international oil price. He does not know what the future will be. He would pick a specific date in the future beyond which everything will be all right.

The national oil policy was changed by this government from the earlier policy that existed for a period of 12 years. Indeed, with the change in external facts, the policy set out in this document may again be changed. However, at the moment we do not know at what particular time the international price may, if ever, come down. In the meantime we, and a lot of other people in this country, think we should have the power to carry out our responsibility of ensuring by agreement that Canadians do not pay very high prices. That is what the bill says. The hon. member says this is without criteria. I invite him to examine the criteria in clause 37.

Mr. Stanfield: I have, many times.

Mr. Macdonald (Rosedale): The Leader of the Opposition gives no evidence of having done that or trying to understand it.

Some hon. Members: Hear, hear!

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL PARKS—REQUEST FOR RECONSIDERATION OF PROPOSAL TO INCREASE ENTRANCE FEE TO PRINCE EDWARD ISLAND PARK

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, on March 21 I asked the Minister of Indian Affairs and Northern Development (Mr. Buchanan) if he would add to the good sense of his year's moratorium the deeper wisdom of a full abandonment of the iniquitous and nefarious scheme to keep the people of Prince Edward Island away from their own beaches.

I must confess the minister's reply was disappointing and not indicative of the sense and sensitivity which he has revealed on some other matters facing him since he assumed his important portfolio.

In this issue we must rely on the sense and sensitivity of the minister. The people of Prince Edward Island are of one mind on the question. They do not welcome the notion that they should be fenced off by a $2 admission barrier from the beaches and waters of their own province.

Island people are not known for being unreasonable. Indeed, as residents of the birthplace of confederation we have learned to endure many economic disadvantages. We can understand increases in fees for camp grounds, trailer parks, golf courses and the like, but to be charged to enter the park to bathe in the glorious waters of the Gulf of St. Lawrence, to pay $2 to enter or bring a visitor in to look at the coastline, Dalvay House or the famed Green Gables, this is an imposition devoutly to be condemned.

Someone in the minister's advisory Sanhedrin is not aware of the fact that the Prince Edward Island park in relation to the people thereby is a park unlike all the others. The park is basically a long narrow strip embracing a good portion of the northern coast of the province. It has brought pleasure to countless numbers of tourists ever since its establishment over a generation ago. Its charm is the beauty of sea, sky and sand. It is not a high-powered

pleasure palace or a vast natural park replete with exotic wild life.

● (2200)

We are happy that people from other parts of the world are given an opportunity to relish the riches which nature has bestowed upon our little province. But Prince Edward Islanders also love their heritage. Thousands of people live within a short distance of a park entrance. They have long enjoyed a rendezvous with our scenic beauty at day's end or week's end.

You can imagine their reaction to being told that to take a refreshing swim in the Gulf of St. Lawrence or to gaze at the sand dunes at dusk they must pay an entry fee. Wordsworth said:

What is this life if full of care
We have no time to stand and stare?

I don't want the minister to plagiarize Wordsworth and declare:

What care I what cares have you
If you have not a buck or two?

I regard this matter as one of very great significance. I know intimately every part of the park. I have delighted to show it to visitors from abroad, enjoyed the unexcelled mackerel fishing at Covehead Harbour, visited my friends, the fishermen of Rustico Harbour. I know the park in season and out of season and I know how unnecessary is the imposition of a $2 entrance fee. The people of Prince Edward Island are not disrupting the traffic nor desecrating the environment. Indeed, Island people know the area so well that they use the swimming spots less crowded by tourists and generally are able to maximize the full use of the park, whereas the visitor often assumes that there is no place in the park except the locale of Green Gables.

I am pleased that the minister has provided for a moratorium of one year. I ask him to reflect upon the situation, to visit our park and not to hesitate to regard this as a special case. In no province is the park area such a substantial portion of the total area of the province. In no province is the sole park so accessible to so many local citizens. Let the minister not be disturbed by those who, without rhyme, reason, imagination, or that rarest of qualities, common sense, affirm we cannot make exceptions. Such a brittle line would have prevented us from establishing Confederation. The BNA Act itself is replete with special arrangements re subsidies, Senate representation, and many other things. We, like Newfoundland, are unique in that we are the only provinces which require you to pay upon entry and departure—this special status we could do without.

I close with an appeal to the minister to harken to me, to the premier of government of Prince Edward Island, to the people of the province and, I am sure, to the millions of our fellow Canadians who have learned to love our province. Make the moratorium a permanent one, not merely one of 12 months' duration. To take liberties, with Shakespeare, I say to him regarding this nefarious entry fee—kill it, not scotch it.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Thank you, Madam Speaker.

[Mr. Macquarrie.]

Mr. Knowles (Winnipeg North Centre): What? No Shakespeare!

Mr. Buchanan: The appeals of my hon. friend opposite are always extremely difficult to resist. Indeed, I must say I shall accept part of them; I shall accept his kind offer to visit the park. I shall be down there on Saturday of this week and I shall be meeting with the tourist association which, as the hon. member is aware, I am sure, also has some concern to express.

Mr. Knowles (Winnipeg North Centre): Will you have to pay to get in?

Mr. Buchanan: Well, I had to pay last week to get into Banff and I am sure I can pay in Prince Edward Island as well. As the hon. member has stated, we have allowed a moratorium. The maritime provinces have been unique in that there has been no fee charged whatsoever, whereas the others have had fees which have been causing distress for many years. I admit we might have introduced it on a more gradual basis. However, this will now put the Prince Edward Island Park and the parks in Nova Scotia and New Brunswick on the same footing as those in the rest of Canada.

As I indicated earlier in reply to questions, we still anticipate realizing only a very small proportion of our operating costs in total revenue this year of roughly $12 million as opposed to approximately $66 million.

As the hon. member knows, the annual fee is $10. Canada has an outstanding national parks system with 50,000 square miles of unique topography. For a fee of $10 one is allowed to enter each and every one of those parks throughout Canada, and I really feel that represents outstanding value.

We have made some exceptions. Those who live in the parks, and I am not sure of the details of the park in Prince Edward Island, but perhaps some folks actually live there, are exempt from the fee. Those who must go into the parks because of their work are also exempt, and those who must pass through in order to reach their homes, where that is the only access road, and that has some application to the Cape Breton Highlands Park, are exempt. People can walk in the parks free. Those people who live in an area that abuts the parks can walk, ride bicycles or ride horses, and as long as they travel by these modes they are exempt from the fee.

I share the concern of the hon. member, but I really do not see how in justice and equity to the other parks in Canada I can go beyond the special situation which exists in respect of the deferral position for one year.

EXTERNAL AFFAIRS—ALLEGED AGREEMENT CANADA WOULD NOT RETALIATE FOR BOARDING OF "GREENPEACE III" BY FRENCH AUTHORITIES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my topic tonight is the *Greenpeace III*, which has been referred to in the House not only today and a few times in the last couple of weeks, but also was referred to by this member and, I think, by the hon. member for New Westminster (Mr. Leggatt) in 1973.

The *Greenpeace III* was the ship that sailed from British Columbia to protest French nuclear testing. It left with a letter from the Prime Minister (Mr. Trudeau) wishing it a safe voyage, and it left partially financed by the government of British Columbia. As we all know, that trip ended in disaster with the boarding of the ship by French government troops, with some severe damage being done not only to the ship but as well to Captain McTaggart.

Captain McTaggart is now over in France on his case, which has been accepted by the French courts, in which he is suing the French government. A few days ago it came to our attention that the French government was not being harassed in any manner whatsoever by the Canadian government and we wondered why. We know the government condemned the French government in this House after the incident. We also know the government helped Captain McTaggart get his ship back and we wonder why this assistance has all of a sudden ended.

I asked the Secretary of State for External Affairs (Mr. MacEachen) and the Acting Prime Minister, the former Secretary of State for External Affairs (Mr. Sharp), if there had been any collusion between the two governments before the boarding of that *Greenpeace III*. They both denied that there was any collusion, and I have to accept their word on that.

Let me read from a story by Leo Ryan, dateline Paris, April 11, under the heading "Greenpeace skipper critical of Canada". It states:

> Greenpeace skipper Dave McTaggart today accused the Canadian Government of implicity allowing a French naval vessel to board his protest yacht in a Pacific nuclear testing area in the summer of 1973.
>
> He charged that a Canadian government denial on Tuesday of a secret agreement between the Ottawa and Paris authorities was couched in "weak and ambiguous terms".
>
> To back up his accusation, Mr. McTaggart cited a "confidential report" addressed on Aug. 23, 1973 by Vice-Admiral Christian Claverie, commander in charge of the French nuclear testing operational group, to an air force general directing the nuclear testing centre.
>
> Mr. McTaggart's lawyer, Hierry Garby-Lacrouts, submitted the lengthy report to a Paris court earlier this week as part of the evidence in the proceedings opened against the French Navy.
>
> In a statement released here, Mr. McTaggart points out that "the first paragraph of this long text indicates that after being assured by the general that no retaliatory measures were to be feared from the Canadian government on the occasion of Air France and Cotam (military transport planes) stopovers in Montreal, the admiral ordered the boarding of *Greenpeace III*.
>
> "It would appear from this statement that the French authorities, in some way or other, made contact with the Canadian government and obtained, explicitly or implicitly, the agreement of the Ottawa Government.
>
> "In a statement to the press on April 8, 1975, the Department of External Affairs denies this claim in particularly weak and ambiguous terms. The Canadian government denies that there was an official consultation concerning the boarding but does not deny that there were communications in another form. Following these communications, it was up to the Canadian government to threaten the French government with retaliatory measures.

● (2210)

> "By not doing so, the Canadian government implicity allowed the boarding to take place" Mr. McTaggart alleged.
>
> New Zealand and Australia, besides bringing a protest against the tests to the International Court in The Hague took the retaliatory measures including barring Air France planes from landing in their countries.

If what Mr. McTaggard alleged is true we have a situation of a Canadian citizen who has been sent on a protest mission by a number of people from British Columbia, who left here with a letter from our Prime Minister wishing him a safe voyage, who left financed by one of our provincial governments, and who was sold out by his government to the French government, and was beaten on his boat and lost an eye. I implore the government to live up to the commitment made to Mr. McTaggart and to many Canadians after the 1973 incident, to go to France with the best legal aid the government can provide and make sure that Mr. McTaggart can at least get some restitution for the great job he did in telling the French nation that Canada no longer likes to see nuclear testing take place in Pacific waters.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, the question of possible subsequent retaliatory action to be taken by the Canadian government was never the subject of discussions between officials of the Department of External Affairs and of the French Government. It would appear from the CP press report regarding this matter that such assurances as may have been given regarding possible Canadian government retaliatory action were made by one French naval officer to another, without any consultation with officials of the Canadian government.

Those exchanges which did take place between French and Canadian government officials, immediately prior to the 1973 boarding of the *Greenpeace III*, expressed the Canadian government's concern for the safety of those Canadians, including Mr. McTaggart, who had declared their intention to enter, and were reported to be in, the French nuclear testing area around Mururoa, in protest against the summer of 1973 French series of nuclear tests.

The Canadian government, through the Canadian embassy in Paris, has been and will continue actively to press the French government for an acceptable out of court settlement. From the very beginning, the Canadian government has taken the view that it could intervene directly with the French on Mr. McTaggart's behalf. Nevertheless, we have always considered that the normal course for him to follow, under international law, would be first to pursue the local legal remedies open to him under French law. In that context the forthcoming hearing follows logically from Mr. McTaggart's earlier filing of action last summer to protect his prescriptive rights. We are keeping in close consultation with Mr. McTaggart and, further to his request, the Canadian embassy is providing him with assistance of an essentially consular nature in connection with the presentation of his case before the courts.

The original commitment that Canada would espouse Mr. McTaggart's claims has not altered. However, the time of espousal still remains open to him. We are seeking the views of Mr. McTaggart and his lawyers regarding any possible adverse effects under French law that espousal might have on his action before the French courts since we would not wish to prejudice his case if we were to espouse at this time.

Whether or not we could espouse his claims after the court hearings would, of course, depend on the outcome of the case. If Mr. McTaggart were to lose on the merits and

thus not be denied justice, then the Canadian government would be precluded from espousing his claims under international law. Similarly, were we to espouse now and if Mr. McTaggart were subsequently to lose his case on the merits in the French courts, we would then have to abandon our espousal of his claims.

REGIONAL ECONOMIC EXPANSION—REASON FOR ALLOCATING FUNDS FOR THE FURTHER STUDY OF CONTAINER FACILITIES AT HALIFAX

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I come here tonight to have a conversation with my friend from St. Boniface about the port of Halifax. Very specifically I am here to seek some elaboration on the matter of the inclusion of $1.5 million designated for, to quote from page ten of the actual contract addendum:

"Feasibility and conceptual design studies of additional container facilities in the port of Halifax including detailed financial and cost-benefit analysis of alternate sites, conceptual design and block layout design, required off and on site supporting infrastructure requirements such as back up storage, transportation and distribution facilities and an environmental impact assessment.

What does all this mean? I ask that, particularly in light of the statement of the minister last Tuesday as reported at page 4595 of *Hansard*, when he said:

The premier of Nova Scotia yesterday indicated that he hoped the work which will be financed by this $1 million will be completed in short order.

It has been reliably estimated by those in the trade that studies of this extent will take three or more years to complete. Others in the trade have suggested that in fact the bulk of this work has been done. I ask if this work has already been done, and what time perimeters, if the work has not been done, has the federal department set on these studies, if in fact any at all?

The present facility is one of the most modern in Canada, and certainly the most efficient. Even so, it became obvious in the early 1970s that it would require expansion to handle the traffic which was even then recognizing the economies of shipping through the Port of Halifax, economies of time and price and, perhaps of vastly greater importance, the fact that the Port of Halifax is virtually free of labour disruptions and has been so for many years.

This matter has been studied and studied again. We have seen the spectacle of the Nova Scotia government promising action by certain deadlines, then promising action upon extensions of those deadlines, and promising action upon the conclusion of extensions of extensions. The feasibility studies have been carried out exhaustively and expertly by officials of the Nova Scotia department of development, by outside consultants, and by Canadian National Railways. In simple terms, there is no excuse for any further feasibility studies whatsoever, and we wonder why we are bogged down in that sense.

The terms of the agreement call for three parts to these studies. I just have one. The second relates to so-called inland container terminal studies, and $150,000 has been committed for these studies. Of the entire $1.5 million, this study alone needs to be carried out yet.

[Mr. Breau.]

The third part of the proposal is for the land reclamation feasibility study. The agreement calls for the expenditure of $350,000 for this, and yet it is well known that this study was completed to the specifications outlined in the agreement almost one month ago. In other words, it is done.

The matter of the land reclamation study brings us to a further point. It has been suggested in the Halifax and Dartmouth Port community that, on the basis of the preliminary results of this study, the province of Nova Scotia approached the Minister of Regional Economic Expansion (Mr. Jamieson) and sought agreement to share costs for a $3 million landfill operation at the Wright's Cove, navy island site on the Dartmouth side of the harbour. The suggestion is that in fact DREE agreed with the proposal but that the National Harbours Board, the landlord of the port, and unfortunately known to Liberals and Tories alike as a pathetically poor landlord, stepped in outraged, and said to the province and to DREE: "In no way are you going to interfere here. This is our jurisdiction. We have plans to frustrate that port at every turn in the road, and there will be no DREE assistance so long as we have legislative authority to act."

There were some comments in general along these lines, comments made with the full knowledge that, for example, there has been massive DREE involvement in and around the port of Quebec on the St. Lawrence River. The National Harbours Board approved dredging and landfill operations, as we all know, at the Beaufort Flats within the port of Quebec, and yet it refused the same type of project funded by the same department in the port of Halifax. One has to wonder why.

Last week we heard the announcement that a study would take place on land reclamation, a study that has been completed and upon the recommendation of which the present agreement, except for the intervention of the National Harbours Board, would have included the sum of $3 million to start a second container facility in this very calendar year. Instead of that we have another study. It is my contention that the people in the community of Halifax and Dartmouth deserve something better than this.

● (2220)

I want to know why there are to be more studies. I seek to be assured that the whole matter is not, as many are already suggesting, another in a series of comic frauds played upon our port community, the perpetual carrot dangled in our faces trotted out at each election, and trotted back after each election.

I would like to hear from the parliamentary secretary tonight either a confirmation or a denial of the allegation that the National Harbours Board intervened destructively to halt proposed land reclamation efforts agreed upon by the government of the province of Nova Scotia and the Department of Regional Economic Expansion.

The reasoning is simple:

The present facilities will reach their capacity before 1975 passes. Thought and planning must turn towards either expansion of the present facility or relocation to another site, and it must be done now; otherwise, the container ports' hard earned reputation will be eroded as ships sit in the stream losing money while awaiting a berth.

That is a direct quote from page 10 of the addendum of the general agreement between DREE and the province of Nova Scotia. That reasoning is reached because there is recognition on the part of the province of Nova Scotia and DREE that something has to be done. Given the present situation all that can be done is for the province of Nova Scotia to proceed without the assistance of the federal authority, and that, while it is possible, would be a regrettable state of affairs.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, I listened with considerable interest last Tuesday, April 8, when the hon. member and his colleague from Central Nova (Mr. MacKay) asked the Minister of Regional Economic Expansion (Mr. Jamieson) a number of important questions concerning the development agreements signed with the province of Nova Scotia. I speak here of hundreds of millions of dollars, over $142 million, I would suggest.

As hon. members will know, the minister has been signing subsidiary agreements over the past months with the various provinces under the authority of the general development agreement. Last Monday he signed two important agreements with the province of Nova Scotia. These agreements are included in the $142 million I mentioned. They related to development plans for the Strait of Canso area and the metropolitan Halifax-Dartmouth area. I know that copies of these agreements have been provided to the hon. member's office.

Over the past four years there has been tremendous growth in shipping and port related activities on the east coast. All major east coast ports have benefitted from this expansion, including the port of Halifax. It is expected that the container terminal in Halifax will operate at capacity this year. There is as well a general acceptance of the need either to expand existing facilities in that port or build a second terminal. The minister explained in his reply to the hon. member that there was a real need to determine in a precise way questions relating to design and site location factors. Because of the important economic impact this will have, not only on Halifax but on the rest of the east coast, further studies were felt to be warranted. The agreement itself spells this out more fully, and I quote:

> This research will include detailed financial and cost benefit analysis of alternative sites, conceptual design and block layout design, required off and on site support, infrastructure requirements such as backup storage, transportation and distribution facilities, and an environmental impact assessment.

I believe the hon. member for Dartmouth-Halifax East (Mr. Forrestall) will agree at this time that the minister replied to him as fully as is possible. Part of the reply, I think, should be repeated because it states his position clearly, and I quote:

> We would be quite prepared to enter into a special supplementary agreement with a view to expanding the facilities along the lines mentioned by the hon. member. Whether or not it would be an expansion of what exists at present or whether it would be in a different location are issues which still must be resolved among the parties of which DREE is really not a direct member. But when the project has been firmed up in respect of the ideas and concepts of those who are promoting it at the present time, then as I have said we are prepared to make a DREE contribution.

I realize this matter is most important to the Dartmouth area. The hon. member has raised additional points concerning the matter, and I wish to assure him that these will be brought to the minister's attention as well.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, April 15, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIRPORTS

ALLEGED INADEQUACY OF X-RAY AND METAL DETECTING DEVICES—MOTION UNDER S.O. 43

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

It has come to my attention that people have carried weapons, such as holstered hand guns and long bladed knives onto commercial airliners, both on their person and in their hand luggage. While these were not people of bad intent, these occurrences do show that x-ray and metal detecting devices at Canadian airports are not completely thorough or effective, resulting in possible danger to innocent passengers.

I would move, seconded by the member for Vancouver Quadra (Mr. Clarke):

That this House direct the Minister of Transport to launch an immediate investigation into this matter and conduct extensive tests on these apparatus at Canadian airports.

Mr. Speaker: The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—METHOD OF MAINTAINING COMPLIANCE WITH GUIDELINES ON WHICH THERE IS CONSENSUS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who indicated yesterday in response to a question that he did not expect to achieve unanimity in any particular sector of the economy. I would like to ask, therefore, whether he expects to be able to maintain compliance with the targets about which there is to be consensus over a period of three or four years in the absence of unanimity within the particular sectors.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is assuming that we are successful in achieving a consensus or mutual agreement. Obviously any mutual agreement would have to allow for a certain flexibility in those areas of the work force that have fallen behind in terms of their ability to maintain that pace of the rise in the cost of living over the last 18 months.

On the other side, certain businesses and even industries have been in a loss position over the last few months or in a position where the competitive forces have put them in exceptional circumstances. So that in envisaging the operation of any consensus program, one would have to allow not only for a lack of complete unanimity but for some flexibility in the appraisal of the success or failure of the program.

Mr. Stanfield: I am happy to have the information, but I would be happier if the minister would answer my question.

Is it the intention of the minister to rely entirely upon voluntary compliance with his targets, flexible or rigid as the case may be, or does he propose to resort to other sanctions such as taxation sanctions, having said yesterday that he does not intend the monitoring board to have any power to impose its will?

Mr. Turner (Ottawa-Carleton): One of the difficulties with sanctions is the rigidity they impose. What one has to try to achieve in mobilizing the program is a balance between moderation in the claims upon the economy in terms of prices on the one hand and costs on the other with the necessity to retain enough incentives in the system to provide for the expansion, both in agriculture and industry, necessary to provide the jobs we will need until the end of the decade and provide the production that will ensure stability in prices over the medium and long terms.

● (1410)

Mr. Stanfield: I have a supplementary question. I wish the minister would answer directly how he intends to achieve support for his program if he cannot achieve unanimity within each sector, and how he can expect to achieve compliance over a period of three or four years. In particular, since he indicated yesterday that with respect to mineral prices, for example, the world price would be the domestic price, and that we would not resort to a two price system, how can he expect manufacturers to accept that kind of standard for mining companies if they are going to be restricted to price increases based only upon increased costs?

Mr. Turner (Ottawa-Carleton): The hon. gentleman of course still has in the back of his mind the feeling that the voluntary system will not work—

Mr. Stanfield: I want to know your system.

Mr. Turner (Ottawa-Carleton): —in a free society, and he has relied in the past on a compulsory system. We rejected that because of the rigidities built into it and because of the fact that it places constraints on the expansionary potential of the economy. My hope is that the facts, as they are presented to Canadians in terms of our current unemployment rate, the current rate of inflation and the comparative escalation of costs in Canada compared with those in the United States, our closest competitor, and those in Europe, will be such that if we can mobilize a general climate of opinion in favour of this program, it has a good chance of succeeding.

INFLATION—MINISTER'S VIEW OF ORIENTATION OF ECONOMY IN RELATION TO OTHER INDUSTRIALIZED NATIONS

Mr. Sinclair Stevens (York-Simcoe): My question is also to the Minister of Finance. Relating the domestic consensus talks to the international scene, is it the position of the minister that the Canadian economy should be oriented in a counterveiling position to that of other countries to avoid a new synchronization of expansionary policy among industrialized nations, which the minister stated last evening had provoked Canadian and worldwide inflation over the past few years?

Hon. John N. Turner (Minister of Finance): No, sir.

* * *

FINANCE

REQUEST FOR NAME OF ACTING MINISTER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a question for the Prime Minister. Considering the delicate stage of the consensus guidelines and the fragile state of the Canadian economy, would the Prime Minister tell the House what minister will be taking over the duties of the finance minister as acting finance minister, particularly that of talking the economy back to health, while the current Minister of Finance is visiting other countries?

Right Hon. P. E. Trudeau (Prime Minister): It will be the Acting Minister of Finance, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Stevens: May we know the name of the Acting Minister of Finance?

Mr. Trudeau: The hon. member for Westmount.

* * *

TRANSPORT

FREIGHT RATES—APPLICATION FOR 20 PER CENT INCREASE—POSSIBILITY OF INTERVENTION BY MINISTER TO PREVENT

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that the Canadian Railway Freight Association has filed a tariff application for a 20 per cent increase in class freight rates effective May 5, and in view of the commitment of the minister in February, at the meeting of transport ministers in Calgary, to prevent further horizontal percentage increases in rail freight rates, can the minister inform the House whether he approves of this new 20 per cent increase in class rates, and if not, whether he intends to intervene to prevent the increase?

Hon. Jean Marchand (Minister of Transport): I think I have stated my position on this across the board increase proposed by the railways. My answer was quite clear, and I am still opposed to what they are trying to achieve.

Mr. Benjamin: In view of the fact that these class rates are ceiling rates for the railways and set the pattern for all the other rates, that some commodity rates are tied directly to class rates and will automatically increase, and in view of the predictions that the increase in class rates will inevitably lead to further increases in other categories, can the minister give his assurance that, in accordance with his Calgary undertaking, no across the board increases in other categories will be permitted?

Mr. Marchand (Langelier): Under the authority given to me by law I will surely get in touch with the CTC and see to it that what I said is really accepted by the railways.

Mr. Benjamin: A supplementary question, Mr. Speaker. Would the minister clarify how he intends to carry out this commitment? Precisely what kinds of increases, in what categories is he pledged to prevent? For instance, what freight rates? The only one that he can prevent, possibly, is the rate on walrus tusks from Inuvik to Frobisher Bay. What is he going to do?

Mr. Speaker: Order, please. I am not sure the question period would be the appropriate place for the minister to attempt an exhaustive review of all the categories in which there might be intervention.

* * *

[*Translation*]

AGRICULTURE

EFFECT OF LONGSHOREMEN'S STRIKE ON FEED GRAIN SUPPLIES—GOVERNMENT ACTION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I have a question for the Minister of Agriculture.

Has he received a telegram from the Quebec poultry producers association stating their concern about the situation resulting from the strike of longshoremen at the Montreal, Quebec City and Trois-Rivières harbours, for producers now have poultry feed for 24 hours only, and, if yes, what does he intend to do?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have received many telegrams but I am not sure if I have seen that one concerning the possible shortage of feed grains. The grain elevator in Quebec City has been opened for two or three days now and grain is moving out of that area. Other ships are moving into the

area with feed grains. We are not moving grain out of Montreal or out of Three Rivers, but we are hopeful the grain supply situation will improve—not that there will be a sustained supply but sufficient that there will be no loss of poultry or livestock. We are doing everything possible to make sure that the grain moves.

Mr. Stanfield: A point of order, Mr. Speaker.

[*Translation*]

Mr. Béchard: Mr. Speaker, I would like to ask a supplementary.

[*English*]

Mr. Speaker: The hon. Leader of the Opposition on a point of order.

Mr. Stanfield: Mr. Speaker, I wonder if by accident you have overlooked the tradition of calling on a member of the Social Credit Party in the first round?

Mr. Speaker: Order, please. I might say I have not done that by accident. It was done because at the moment the NDP member finished questioning no member of the Social Credit Party was standing.

* * *

[*Translation*]

LABOUR CONDITIONS

LONGSHOREMEN'S STRIKE IN QUEBEC—INQUIRY WHETHER GOVERNMENT WILL TAKE LEGISLATIVE ACTION TO SETTLE

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, to calm the fears of the Leader of the Opposition, may I tell him that this afternoon I take it upon myself to be the spokesman for the Social Credit Party of Canada on this subject. I should have liked to put my supplementary to the Minister of Labour, but in his absence I shall address it to the Prime Minister.

Does the government intend to settle the strike of the longshoremen in the port of Montreal the way it did in the port of Vancouver?

Hon. André Ouellet (Acting Minister of Labour): Mr. Speaker, I am sorry but I was not listening when the question was put. Would the hon. member be kind enough to ask it again?

Mr. Béchard: Mr. Speaker, I shall be pleased to do so.

I asked the Minister of Labour, or in his absence, his parliamentary secretary, or the Prime Minister, whether the government intends to take legislative measures identical to those Parliament passed to settle the longshoremen's strike in the port of Vancouver to settle the strike now paralyzing the ports of Montreal, Trois-Rivières and Quebec City?

Mr. Ouellet: Mr. Speaker, there always comes a time in a strike when the public interest must be weighed against the right to strike. The government and the cabinet are now in the process of looking into this matter. For the time being we have no statement to make, but one thing is sure: the Minister of Labour and the government are watching the situation very closely.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to thank the Leader of the Official Opposition for his kindness to us and also to tell the House that we did not elect the member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) to speak on our behalf. However, when our turn came, I was busy talking with a member on the government's side. So, my question—

An hon. Member: They were talking about patronage!

Mr. Lambert (Bellechasse): —and we were not talking about patronage, but about management.

In the absence of the Minister of Manpower and Immigration, I want to put a question to the right hon. Prime Minister.

In view of the unfortunate strike of longshoremen in the ports of Quebec City, Montreal and Trois-Rivières, which worries a lot of people and disturbs our economy, can the Prime Minister assure the House that the negotiations now taking place to settle this strike are conducted with diligence and not only for form's sake, and secondly can the Prime Minister reassure us on the results of these negotiations and tell us that the strike will soon be over?

Mr. Trudeau: Mr. Speaker, of course, I cannot give any guarantee regarding the outcome of the negotiations, but the answer I gave to the excellent question of the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) indicates rather clearly that the government follows this matter very closely.

* * *

● (1420)

AGRICULTURE

EFFECT OF LONGSHOREMEN'S STRIKE ON FEED GRAIN SUPPLIES—GOVERNMENT ACTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question to the Minister of Agriculture.

Considering that for the past 10 days several members from both sides of the House are rightly concerned about conditions in Quebec, can the minister tell us how long the government is ready to wait to settle this embarrassing matter and can he at last tell when producers will have sufficient supplies?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, many statements have been made concerning the shortage of grain and the loss of poultry livestock, but no evidence has been presented to me or to the provincial minister of agriculture in Quebec to show that this is actually taking place. Grain is moving out of the Quebec elevator. Grain is being moved to the area by ship from the Lakehead and by truck, and we are optimistic because those who are picketing the grain elevators in Montreal are not elevator workers. None of them work in the elevators. We hope, and are optimistic, that an arrangement can be made for the union to withdraw their pickets from that area, because there is an injunction; there is to be peaceful picketing, and truckers refuse to cross the picket lines

when pickets are there. They are on public property, on the street, and we are optimistic enough to think that the union may be encouraged to withdraw their picket lines from that elevator in that area. Also, some trucks moved out of Montreal early this morning, before 6 a.m.

[*Translation*]

Mr. La Salle: Mr. Speaker, I should like to put a supplementary question.

Since the producers' association has already applied to the minister responsible for a subsidy to offset additional costs incurred as a result of that dispute, is the minister in a position to assure the House that he would be willing to discharge the additional costs which producers are now compelled to pay to obtain supplies?

[*English*]

Mr. Whelan: Mr. Speaker, we have always looked after them in the past in a responsible and reasonable fashion and accepted their requests in the same fashion.

* * *

HARBOURS

HALIFAX—ALLEGED COMMITMENT CONCERNING SHED RENTAL POLICY—GOVERNMENT ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport and has to do with a question I asked him yesterday concerning the denial of an undertaking given by the vice-chairman of the National Harbours Board to the mayor of the city of Halifax and other interested people who came to Ottawa to discuss shed rentals in that particular port. Has he had an opportunity to advise himself of the nature of this serious confrontation between the mayor of the city of Halifax and others, and the chairman of the National Harbours Board concerning the denial of the undertaking given by Mr. Guy Beaudet, vice-chairman of the National Harbours Board.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is extremely difficult for me. I have taken the matter very seriously, and I got in touch with the National Harbours Board. I did not receive the exact confirmation of what the hon. member reports. I am not saying he does not tell the truth, but I think I have taken a faster way. Tomorrow, the chairman of the National Harbours Board, Mr. Taylor, will be in Halifax to meet the mayor to clarify the situation.

[*English*]

Mr. Forrestall: A supplementary question, Mr. Speaker. I must say I am surprised that there has not been some reaction from the chairman of the National Harbours Board. Would the minister take a personal interest in this matter, because it is quite likely, if the impasse continues tomorrow, that the resignation of the vice-chairman of the National Harbours Board will be called for, a position which I cannot help but support, because somebody has been playing games with the port of Halifax. Would the minister intervene personally in this matter and use his authority to suggest in the strongest possible terms to Mr. Beaudet and Mr. Taylor that, when they go to Halifax, they should go prepared to talk straight and not with a crooked tongue.

Mr. Marchand (Langelier): Mr. Speaker, as soon as Mr. Taylor is back from Halifax and there have been discussions with the mayor, I will be happy to give a more precise answer.

* * *

BUSINESS OF THE HOUSE

REQUEST FOR REFERENCE OF REPORT OF INDEPENDENT REVIEW COMMISSION TO COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to ask the government House leader a question about the report of the Independent Review Commission which was tabled yesterday. Will the government House leader consult with the other House leaders with regard to submitting this report to a committee of this House in connection with proposing the kind of legislation suggested in the first recommendation of the report? I make that proposition because parliament must be vitally concerned with regard to the position of the Auditor General who is the servant of parliament.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, the House leader of the opposition will recall that it has been government policy to propose a bill that gives statutory form to the responsibilities of the Auditor General. Therefore, this does accord with government policy. I am not quite sure whether it would be more expeditious to refer this report to a committee or have the government present legislation based on this report for the consideration of the House. In either event, we are in favour of introducing such legislation.

* * *

IMMIGRATION

GRANTING OF LANDED IMMIGRANT STATUS BY ORDER IN COUNCIL—REQUEST FOR NAMES OF PERSONS SO TREATED

Mr. Jake Epp (Provencher): Mr. Speaker, my question is to the Minister of Manpower and Immigration. In view of the fact that 18,884 aliens became landed immigrants last year through orders in council, and in view of the fact that regulations imposed by the government now clearly indicate that a prospective immigrant must apply from outside Canada, can the minister indicate whether a practice in which approval of such large numbers is being given only worsens Canada's problems with illegal immigration since illegal immigrants can always hope for an order in council from this government?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not believe that is the case. I respect the hon. member's question and concern. I will be glad to discuss it with him in detail, either privately or when I am before a committee. There is nothing hidden in this practice. It is a discretionary authority vested in the minister. I think in every case there is a

situation and justification which the hon. member would share if he had the responsibility to look at it. I will be glad to go over that in as much detail as the hon. member wishes, perhaps before a committee.

Mr. Epp: In view of the fact that orders in council now cover approximately 10 per cent of the total number of immigrants landed, will the minister give an undertaking that the names of the people and the auspices or conditions under which they were given the ministerial order in council will be published for members of this House so that suspicions concerning this practice can be aired and clarified?

Mr. Andras: Mr. Speaker, the only prohibition about giving that detailed information would be that respecting the privacy of the individual in certain cases for reasons which I think the hon. member would share. Generally speaking, yes, in terms of category. There is no attempt whatsoever to hide or withhold the information. I will be glad to convey all the details, with that reservation.

* * *

TOURISM

DISCREPANCY IN MAP OF BRITISH COLUMBIA—REQUEST FOR CORRECTION

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Will the minister advise the Canadian government office of tourism that there is a riding of Kootenay West and within its confines are three major cities, Nelson, Castlegar and Trail, in view of the fact that a recent map depicting British Columbia ignores these cities while at the same time recognizing much smaller communities, including Blaine, Washington, which is shown on the map as being a part of British Columbia? I refer to a tourism advertisement inserted in the National Geographic magazine, which is not known for its errors. Can I have some assurance from the minister that a change will be made?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I will draw those representations to the attention of CGOT.

* * *

● (1430)

TRANSPORT

NEED FOR ICEBREAKERS IN NORTHWESTERN ATLANTIC—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Transport. Would the minister advise the House what action is being taken with regard to the persistence of ice conditions in the northwestern Atlantic, particularly near Newfoundland, which are interfering with the execution of the fisheries? My question arises from the need of further ice-breaking capability in that area. Has he been made aware of the conditions which exist? What action is being taken?

Hon. Jean Marchand (Minister of Transport): This is the first time I have been made aware of the situation. I intend to inquire immediately.

Mr. Marshall: Is the minister aware that I have already brought this matter to the attention of his officials? Since these conditions are in evidence every year, and have been persisting, would the minister tell us what attitude the government is taking toward increasing the capability of ice-breaker services which up to this time have been lacking?

Mr. Marchand (Langelier): As the hon. member already knows, the government has decided to increase our capability in this field. Two ice breakers are to be built in the near future and much bigger ones later on when we have enough money to pay the bill.

* * *

POST OFFICE

MONTREAL—SUGGESTED MEETING BETWEEN MINISTER AND POSTAL WORKER'S UNION REPRESENTATIVES TO RESOLVE DIFFICULTIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Postmaster General. In view of the difficulties which have been experienced in the last few days in the Montreal Post Office I should like to ask him whether meetings have been arranged between himself and representatives of the Union of Postal Workers and, if so, whether he can report any progress.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, we are still encountering difficulties in the Montreal Post Office and, reluctantly, I found it necessary last evening to suspend indefinitely a postal worker for pushing or attacking a supervisor and to suspend 183 other workers for the rest of their shift. Apart from those minor problems, I think things are running well in the Post Office. Discussions are going on at the local level between the appropriate officials and the various supervisors. As far as discussions at the national level are concerned it would be, I think, in everybody's best interests—if they are held—that not only the contents of such conversations be private but the fact that there is such a meeting being held should also be considered as private.

Mr. Orlikow: I am not for a moment trying to judge where the fault lies, but surely the suspension of such a large number of employees is a serious matter. Again, would the minister not consider the advisability of meeting formally with the national representatives of the Union of Postal Workers so that there might be a frank discussion of the issues in the hope that the difficulties, whatever they are, may be resolved as quickly as possible, in which case several hundred more employees would not need to be suspended or dismissed or whatever the minister says is being done with them?

Mr. Mackasey: I find myself in a dilemma here. I do not want to leave the impression that such a course has not been considered. I simply stated the conditions under which I would prefer the discussion to take place—poss-

ibly the conditions which someone else would prefer. I wish to make it clear that these suspensions are not because management is necessarily right; it is simply that the solution lies in applying the collective agreement and the grievance procedure rather than settling the matter through what I consider to be a violent way of acting and one which is not in the best interests of the labour movement.

Some hon. Members: Hear, hear!

Mr. Orlikow: In view of the fact there obviously exists a difference of opinion between the minister and the President of the Canadian Union of Postal Workers about the way in which a collective bargaining agreement is applied, may I suggest to the minister for the last time that the way to settle this difference of opinion is through a meeting between the minister and the president of the union so that each may know precisely what the other is thinking?

Mr. Mackasey: Theoretically, it is possible that such a meeting has already taken place.

* * *

AGRICULTURE

FERTILIZER—GOVERNMENT ACTION TO ASSURE SUPPLY AT ECONOMIC PRICES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the Minister of Agriculture what progress he and his colleague the Minister of Consumer and Corporate Affairs are making toward the government's objective of assuring adequate stocks of chemical fertilizer available to the agriculture industry this year at economic prices?

Hon. E. F. Whelan (Minister of Agriculture): I am assured that there will be adequate supplies. If the information given to me is correct, some farmers are cutting back their purchases of fertilizer because of the uneconomic price—the high price that is involved. We have seen some slight evidence of price decrease in our analyses of fertilizer sales but nothing like we would wish to see—nothing like the reduction we think should take place. I am working very closely with the Minister of Consumer and Corporate Affairs with regard to what action we can take.

Mr. MacLean: What action has the minister taken to make sure that farmers generally are aware of the fact that there should be adequate supplies available, whether the price is right or not?

Mr. Whelan: We have contacted all the provincial departments of agriculture and our surveys show, as they have in the past, that there will be adequate supplies. In some areas there may even be an oversupply of some varieties of fertilizer.

[Mr. Mackasey.]

EXTERNAL AFFAIRS

METHOD OF DETERMINING WHICH COUNTRIES RECEIVE AID THROUGH CIDA

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question. I would have directed it to the Secretary of State for External Affairs but he is absent on business. Having regard to the haphazard efforts of CIDA in the past, how will the new guidelines affecting CIDA with respect to foreign aid be applied when it comes to determining which countries are to receive such aid, especially in the light of the statement by the Secretary of State for External Affairs that fewer countries will receive Canadian assistance?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): I think it would be appropriate for these guidelines to be discussed in a forum other than the question period at which time full satisfaction could be given to the hon. member. Perhaps he has a more specific question to follow up with.

VIET NAM—INQUIRY WHETHER ASSISTANCE CHANNELLED THROUGH CIDA

Mr. Eldon M. Woolliams (Calgary North): Yes, Mr. Speaker, I have. Will the assistance which will be going to Viet Nam be channelled through CIDA, and will it be assistance directed to the relief of misery, inhumanity and suffering in the form of cash?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): As the Secretary of State for External Affairs stated, our help to Viet Nam is being channelled through international agencies.

Mr. Woolliams: Maybe the minister left the wrong impression. I was asking about the sole Canadian agency, namely CIDA, possibly working through other agencies. Would this help, given to Viet Nam, be in the form of cash and is the hon. gentleman waiting until the North Vietnamese take over all of Viet Nam to deliver that cash?

Mr. Sharp: The assistance which is being provided by Canada is, of course, being provided through CIDA. It is being provided in cash to international agencies which are now on the spot doing what they can to help.

● (1440)

VIET NAM—POSSIBILITY OF PROTEST TO HANOI OVER BREACH OF INTERNATIONAL AGREEMENT—REQUEST FOR ASSURANCE OF EVACUATION OF CANADIANS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question also for the Acting Secretary of State for External Affairs. In view of the fact that the situation in that area has deteriorated even more, is the government considering notes of protest to be delivered in Hanoi or elsewhere against the breaches of international agreements, with such cost in terms of misery and tragedy for the local population?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, the attitude of the government has been expressed already by the Secretary of State

for External Affairs, who has pointed out that our principal purpose in making protests like this is to be helpful to Canadians and to others whose lives might otherwise be in jeopardy. I am sure that the hon. member, who has experience of these matters, would not want to say anything that would harm Canadians or anybody else.

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. Would the minister assure the House and the country that all Canadian personnel in the disaster areas will be evacuated before they become personally endangered?

Mr. Sharp: Mr. Speaker, evacuation plans are being updated daily. However, so far it has been decided that it is not necessary to evacuate Canadians from Saigon. They are safe at the moment, but plans are ready to evacuate them if the situation gets to that point.

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PUBLIC SERVICE

PROPOSAL RETIRED MEMBERS OF ARMED FORCES AND RCMP ENTITLED TO COUNT SERVICE FOR LEAVE PURPOSES—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the President of the Treasury Board. In view of the statement of the Minister of National Defence on October 24, 1974 that the President of the Treasury Board was giving serious consideration to the proposition that retired members of the Canadian Armed Forces and the Royal Canadian Mounted Police should be entitled to count their period of service for leave purposes when they enter the public service of Canada, would the minister please inform the House whether this serious consideration is continuing and, if so, would he advise the House and the country when there might be an announcement made with respect to a change of policy?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am not in a position to tell the hon. member whether or when we will have an announcement on that matter. While I have the floor, Mr. Speaker, may I answer a question from the member for Kingston and the Islands, who asked me yesterday when a contract was given by Statistics Canada. The contract was approved by Treasury Board on January 30, 1975.

[*English*]

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. I wonder whether the minister could tell me when he will be in a position to answer the question that I first asked?

[*Translation*]

Mr. Chrétien: Soon, Mr. Speaker.

INDIAN AFFAIRS

OFFER OF SETTLEMENT OF NATIVE LAND CLAIMS IN CONNECTION WITH JAMES BAY PROJECT—GOVERNMENT POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to put a question to the Minister of Indian Affairs and Northern Development.

Could the minister tell us if the Indians and Innuits of James Bay in Quebec have really accepted the latest offers of the Bourassa government concerning compensation for the hydro-electric project in that area and, if not, if his department will continue to give them financial help to assert their rights and privileges?

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, all that has been achieved in Quebec is the signing of an agreement in principle in November of last year. We left a period of a year, to November of this year, for ongoing negotiations and discussions to be held to try to iron out the details, so that the final agreement pertaining to James Bay would not be signed, we expect, until November.

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AIRPORTS

VANCOUVER AND TORONTO—ALLEGED FAILURE OF X-RAY MACHINES TO DETECT KNIVES IN BAGGAGE—REQUEST FOR INVESTIGATION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that security procedures for inspecting passengers and hand baggage at international airports were implemented for the safety of passengers, and in view of the enormous cost and considerable inconvenience to passengers, would the minister call for an immediate investigation into the failure during the past 24 hours of x-ray machines at Vancouver and Toronto international airports to detect the presence in hand baggage of four razor sharp kitchen knives, one of which was over 14 inches in length?

Hon. Jean Marchand (Minister of Transport): I will consider that, Mr. Speaker.

* * *

AGRICULTURE

CANADIAN EGG MARKETING AGENCY—REQUEST FOR STATEMENT FROM MINISTER—ADEQUACY OF FEDERAL AUTHORITY

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture and arises out of the meetings held last week with his provincial counterparts. I wonder whether the minister would make a statement on motions regarding the Canadian Egg Marketing Agency and, if so, will the statement be made this week?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I see no real urgency about making a statement.

The findings reached at these meetings were made public. We are still discussing the proposals with some of the provincial governments and provincial egg marketing boards, and I do not think these will be finalized until late this Friday. At least, I am hopeful that they will be finalized this Friday.

Mr. Jarvis: A supplementary question, Mr. Speaker. For some time the minister has been seeking additional federal authority over egg marketing. Would the minister tell the House whether he is satisfied that he has received sufficient federal authority within CEMA, or is the minister also seeking additional authority over the Food Products Marketing Council?

Mr. Whelan: Mr. Speaker, I am seeking orderly marketing for eggs. We have asked the provinces for and been given more federal authority by the majority to enable CEMA to operate in this way. There is also a commitment to reorganize the National Farm Products Marketing Council.

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IMMIGRATION

LEGALITY OF ADOPTION OF VIET NAM ORPHANS—SUGGESTED CONSULTATION WITH PROVINCES TO ESTABLISH CO-ORDINATING AGENCY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Manpower and Immigration and concerns a matter of great moment to many adoptive parents in Canada. Has the government investigated the claim by the International Red Cross that adoption of Vietnamese children contravenes the Geneva convention governing the protection of civilian populations; and can the minister assure us that these adoptions are in fact legal and that there will not be any questions asked later as to the legality of the adoptions of children already adopted?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have made several statements in this regard, many of them in this House. The children that are being brought forward are children for whom the adoption process, in terms of complying with the legal requirements of the government of South Viet Nam and in terms of complying with the legal requirements for adoption by provincial jurisdictions in Canada, has been completed or is arranged.

As I have indicated, there could be one or two exceptions to this as a result of the confusion and the urgency of the situation in Saigon at the time. A responsible agency might present to our officials there a child as an orphan that they would like removed from Saigon, but such a child would only be accepted if the approval of the South Vietnamese government had been given, and in all cases I am aware of that has been the case. One or two of these children, however, may not have proceeded through the adoption process in Canada, in which case we will have to be very careful—there is one such case—in our contacts with the provincial authorities in order to ensure that the adoption process, which is a provincial matter, does not proceed until all questions are clarified and settled in terms of the legality of the adoptions in Viet Nam and here.

Mr. Beatty: A brief supplementary question, Mr. Speaker, which I should like to address to the Minister of National Health and Welfare. I gave him some indication a few weeks ago that I would be interested in this matter. In light of the fact that the adoption of orphans from overseas requires the participation of perhaps some five different government departments or agencies, would the minister tell the House what progress is being made, in co-operation with the provincial governments, in establishing some sort of federal co-ordinating agency to facilitate the adoption of orphans from overseas where these adoptions can legally be made?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am happy to report to the hon. member that during the conference of welfare ministers in November 1974, it was agreed, that the Department of National Health and Welfare would establish an adoption desk to deal with international adoptions and to co-ordinate these activities with the provinces. This desk has been created and we are now working very closely with the provinces as well as with the Department of Manpower and Immigration to simplify all negotiations required.

* * *

[*English*]

BILINGUALISM

DISMISSAL OF TEACHERS BY FARES SCHOOL—REQUEST FOR DELAY IN RENEWAL OF CONTRACT UNTIL INQUIRY COMPLETED

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the President of the Treasury Board. In view of the fact that the Fares language school for public servants recently summarily dismissed 22 teachers for asking for better working conditions and wage parity with similar teachers employed by the federal government, and in view of the fact that the Public Service Commission has instituted an inquiry into the awarding of language training contracts, would the minister ensure that the Fares contract, which is up for renewal at the end of May, will not be renewed until the PSC inquiry is completed and recommendations are brought forward?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I shall examine the matter and report to the hon. member.

[*English*]

Mr. Symes: A supplementary question, Mr. Speaker. In view of the fact that the Fares contract has amounted to $243,000, will the minister undertake to investigate the working conditions and salaries at the school as well as ensure that the school is maintaining proper language instruction standards?

● (1450)

[*Translation*]

Mr. Chrétien: Certainly, Mr. Speaker.

* * *

[*English*]

SPORTS

CONTRACT TO FLAHERTY MANUFACTURING OF HAMILTON—INQUIRY WHETHER PETER FLAHERTY ON DEPARTMENTAL PAYROLL WHEN CONTRACT AWARDED

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Will the minister inform the House if he has inquired into the matter raised in this House on March 11, 1975 by the hon. member for Athabasca concerning the date Flaherty Manufacturing of Hamilton received a $40,000 contract from the department without tenders being called, and whether Mr. Peter Flaherty was indeed on the departmental payroll as a riding assistant to the former Minister of National Health and Welfare at the same time?

Hon. Marc Lalonde (Minister of National Health and Welfare): I have not yet had the report, Mr. Speaker, but will look into this matter and be pleased to give the information to the hon. member tomorrow.

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INDIANS AFFAIRS

ALLEGED FAILURE OF MINISTER TO DEAL WITH GRIEVANCES OF TREATY SEVEN CHIEFS—GOVERNMENT ACTION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, this question is directed to the Minister of Indian Affairs and Northern Development. Since Treaty 7 Chiefs after their last meeting with the minister said, "We've used every peaceful method and gotten no place", will the minister go back to Alberta this month with direct answers to the Treaty 7 Chiefs to help ensure that the Indian people are not driven to abandon peaceful methods.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I felt that the replies which were given were direct answers.

Mr. Clark (Rocky Mountain): Mr. Speaker, will the minister tell the House why, in the sealed envelopes handed to the chiefs without opportunity for debate, the minister did not respond to a single major suggestion or request put forward by the Treaty 7 bands and whether he will continue to ignore their legitimate grievances and concerns or go back and deal with them directly.

Mr. Buchanan: Mr. Speaker, the statement is absolutely incorrect.

REQUEST FOR STATEMENT ON RESULTS OF MEETING WITH NATIVE INDIAN BROTHERHOOD

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the minister. Can the minister inform the House what progress if any was made at yesterday's meeting between representatives of the NIB and the relevant cabinet committee? If he cannot inform us as to the progress made at this meeting perhaps he can tell the House when a statement will be forthcoming concerning the outcome of that meeting.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, it would take a fairly lengthy period of time to give a full report on the meeting. The basic things that were agreed to were the establishment of committees to look into and try to come to agreement on the broad question of what are native rights and second to set up a body to look into the proposed revision of the Indian Act.

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INDUSTRY

AUTOMOBILES—ALLEGED TRANSFERENCE OF PURCHASES OF TOOLING AND ASSEMBLY PARTS TO UNITED STATES FIRMS

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. Is the minister aware that as a result of the poor sales year the United States car industry is having the Canadian subsidiaries of those automobile companies have been instructed to transfer purchase of tooling and assembly parts from Canadian suppliers to firms in the United States? Can the minister advise if he is aware of this situation and if so what his department is prepared to do about it.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of it. I am interested in the hon. member's question. If he has information to that effect I hope he will give it to me and I will make an inquiry.

* * *

ENERGY

OIL—POSSIBILITY OF PIPELINE TO CARRY ALASKAN OIL TO UNITED STATES—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Last October the minister indicated that he had had some discussions with United States officials concerning a pipeline to carry Alaskan oil through Canada to the United States. Can the minister advise whether these discussions have continued and if so whether the United States officials have put forward any proposals in this regard?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, no specific proposal has been put forward by the United States officials with regard to an oil pipeline through Canada, more probably

up the Mackenzie Valley. There have been extensive discussions between Canadian and United States officials about a general pipeline treaty which would govern the construction of any pipeline either in Canada or the United States.

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FISHERIES

REQUEST FOR REPORT ON SEAL HUNT

Mr. Gus MacFarlane (Hamilton Mountain): My question, Mr. Speaker, is for the Minister of Fisheries. I should like to know if we can expect any forthcoming reports concerning the seal hunts which have occurred in relation to the experience that was brought to our attention by previous television films and could we expect any report concerning what has happened in relation to the minister's efforts in this area.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would inform the hon. member that in the gulf the hunt was not very successful because of ice conditions. On the front, the quota has almost been reached now, but the seal hunt will be coming to an end in a matter of hours or days.

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NATIONAL DEFENCE

PROPOSAL FOR ESCALATION OF PENSIONS OF RETIRED PERSONNEL BEFORE AGE 60—REQUEST FOR REPORT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Defence. When we were dealing in the latter part of 1974 with the estimates of the minister's department he said he would look into the matter of the unfairness created by the fact that retired armed services personnel have to wait until age 60 before their pensions are escalated. Is he now in a position to report on this matter?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker, I have no further report.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the minister continue the study in the hope that he will have a report soon?

Mr. Richardson: Yes, Mr. Speaker, I will be glad to do so.

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HARBOURS

HALIFAX—DATE OF IMPLEMENTATION OF SHED RENTAL POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Transport with regard to the shed rental policy for the port of Halifax.

[Mr. Macdonald (Rosedale).]

An hon. Member: Now, we are getting down to the nitty-gritty.

Mr. Stanfield: Since the Minister of Finance will not get down to the nitty-gritty, it is just as well that I do. Is it now the situation that the shed rental policy may be implemented for the Port of Halifax soon, despite many indications to the contrary given by the Board in the past.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I will have to give about the same answer I gave a few minutes ago to the representative of Dartmouth. Mr. Taylor will meet with the mayor of Halifax and I will want to have a full report on this in order to have clear information. The port of Halifax is prospering this year. I do not regret it, but I think it will be much more prosperous than the port of Montreal. It is going very well. This is a good thing. As soon as I have an answer from Mr. Taylor I will be happy to give a precise answer.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

Fourth report of Standing Committee on Miscellaneous Estimates in both official languages—Mr. Leblanc (Laurier).

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,256, 1,312, 1,571, 1,692, 1,694, 1,697, 1,736, 1,891, 1,901, 2,084 and 2,123.

If question No. 47 could be made an order for return, this return would be tabled immediately.

I ask that questions No. 606 and 1,099 be made orders for return and also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

Mr. Speaker, would you be so kind as to call starred question No. 1,920?

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

[*Text*]

GRANTS TO GROUP ACTIVITIES SPONSORED IN SUPPORT OF INTERNATIONAL WOMEN'S YEAR, 1975

Question No. 1,256—**Mr. Forrestall:**

1. Which departments are involved in granting money to group activities sponsored in support of International Women's Year for 1975?

2. For each department, what is the (a) total 1975 budget available for such groups (b) projected percentage of the budget that will go for (i) administrative costs (ii) actual money to participating groups directly?

3. For each department, what is the amount of money (a) available by region (b) allocated to metropolitan Dartmouth-Halifax, Nova Scotia?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of National Health and Welfare is concerned: 1. The Department of National Health and Welfare.

2. (a) International Women's Year Grants 1974 and 1975, $75,000; 1975 and 1976, $100,000. Other granting areas of the department may grant money to women's groups that are involved with a particular area of interest i.e. New Horizons, Family Planning, Non-medical Use of Drugs etc. (b)(i) Administrative costs are absorbed within the department's budget. (ii) See 2 (a).

3. (a) and (b) There are no specific regional allocations under International Women's Year Grants.

In so far as the Department of the Secretary of State is concerned: 1. The Women's Programme of the Department of the Secretary of State has been given additonal money for group activities for International Women's year in 1975. In addition to the amount in the Women's Programme, all other programmes in the department will place a priority on women's projects which meet their objectives and criteria.

2. The funds allocated to the Women's Programme, Department of the Secretary of State for 1974-75 and 1975-76 for the International Women's Year activities, which will take place in the calendar year 1975, are budgeted as follows: (a) and (b) (i) and (ii) Money for group activities, $1,745,000, 75 per cent; Community Education/ Promotion, $202,000, 9 per cent; Seminar Series, $160,000, 7 per cent; Administrative Costs, $220,144, 9 per cent; Total Budget, $2,327,144, 100 per cent.

3. (a) There is no specific allocation of funds by region or urban area. However, certain guidelines for regional distribution of funds have been established according to the activities and needs of women's organizations across the country; these figures are therefore subject to changes in the course of the year. Atlantic, $204,000; Quebec, $246,-000; Ontario, $312,000; Prairies, $280,000; Pacific, $270,000; National, $433,000; Total $1,745,000. (b) Not applicable. See 3 (a).

POST OFFICE DEPARTMENT PERSONNEL

Question No. 1,312—**Mr. Paproski:**

1. How many full-time employees were under salary in the Post Office Department on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. (a) 42,830; (b) 46,310.

2. January 1974: (a) 36,917; (b) 5,755; (c) 145; (d) 13. January 1975: (a) 39,163; (b) 6,823; (c) 298; (d) 26.

STATISTICS ON SUBJECTS GRANTED CERTIFICATES OF CANADIAN CITIZENSHIP

Question No. 1,571—**Mr. Herbert:**

1. With reference to the answer to Question No. 907, what is the reason Statistics Canada does not collect statistics on the official language or languages spoken by new citizens?

2. Has any difficulty been experienced in assessing the regional effect of immigration and in establishing an immigration policy because of the lack of this information?

3. Is country of birth, country of former allegiance, marital status and citizenship of spouse considered more important or more useful statistics?

4. Is it possible to assess the impact of immigration on this country's language groups when no language information is recorded for new citizens?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by Statistics Canada and the Department of Manpower and Immigration as follows: 1. Statistics Canada reports that annual data on the official language or languages spoken by new citizens is not collected. However, users with a more specialized interest than the general public could request Statistics Canada to generate unpublished data from the 1971 census on the number of Canadian citizens cross-tabulated by period of immigration, mother tongue and official language. Such data was collected from all Canadians in 1971.

2. Language capabilities of new immigrants are recorded by the immigration division of the Department of Manpower and Immigration, and therefore no lack of information exists which would create the difficulty indicated in the question.

3. The Department of Manpower and Immigration considers each category of statistics gathered is equally valuable for the purpose for which it is gathered.

4. Since the immigration division of the Department of Manpower and Immigration has this information for new immigrants, the problem referred to does not exist for that group.

PLACE DU PORTAGE, PHASE III, HULL, QUEBEC—CONTRACTS TO DATE

Question No. 1,692—**Mr. Ellis:**

1. What is the total amount of contracts awarded, to date, for the Department of Public Works project, Place du Portage, Phase III, Hull, Quebec?

2. What is the present estimated cost of completion for this project?

Hon. C. M. Drury (Minister of Public Works): 1. $29,476,901.

2. $98,500,000.

URBAN AFFAIRS BUILDING (LaSALLE ACADEMY)—CONTRACTS TO DATE

Question No. 1,694—**Mr. Ellis:**

1. What is the total amount of contracts awarded, to date, for the Department of Public Works project, Urban Affairs Building (LaSalle Academy), Ottawa, Ontario?

2. What is the present estimated cost of completion for this project?

Hon. C. M. Drury (Minister of Public Works): 1. $4,780,821.

2. $8,003,200.

MAJOR POSTAL PROCESSING PLANT, MONTREAL, QUEBEC

Question No. 1,697—**Mr. Ellis:**

1. What is the total amount of contracts awarded, to date, for the Department of Public Works project, Major Postal Processing Plant, Montreal, Quebec?

2. What is the present estimated cost of completion for this project?

Hon. C. M. Drury (Minister of Public Works): 1. $31,405,750.

2. $212,108,000.

SHARES ACQUIRED BY THE CANADA DEVELOPMENT CORPORATION

Question No. 1,736—**Mr. Howie:**

1. When were shares in the capital stock of other companies acquired by the Canada Development Corporation?

2. How much per share was paid and how many shares were acquired?

3. What is the market value of such shares today?

Hon. John N. Turner (Minister of Finance): The information sought is not available in the exact form of the questions. All the shares of Polysar Limited were purchased in 1972 for $62 million, provisions being made for an additional $10 million payment to be made under certain circumstances. Connlab Holdings Limited was established by the CDC in 1973 at a cost of $35 million. In turn Connlab owns 100 per cent of Connaught Laboratories Limited, 75 per cent of A/S Dumex, 70 per cent of Omnimedic Inc. and 70 per cent of Roylo Chemicals Limited. Since Polysar and Connlab are wholly owned by the CDC there is no market determined value for their shares. In 1972 the CDC purchased 35 per cent of the shares of Venturetec International Limited for about $4.5 million. In 1973 it purchased 49 per cent of the shares of Ventures West Capital Ltd. for $2.2 million and 40 per cent of the shares of Innocan Investments Ltd. for $3.7 million. These three venture capital companies are owned by a very limited number of investors and since their share do not trade publicly there is no market determined value for such shares. Through a tender offer the CDC acquired in 1973 about 30.4 per cent of the shares of Texasgulf Inc. The tender offer was at $29 per share at a time when these shares were trading at around $22-23, the difference representing the normal premium for acquiring a controlling interest in the company. The shares of Texasgulf are now trading at about $27.

[Mr. Drury.]

SUGAR

Question No. 1,891—**Mr. Herbert:**

1. Was it intended to make a correction to that part of the Report of the Food Prices Review Board "Sugar Prices and Policies" that appears on page 14 in the English version where it states "it is unlikely that these islands will become a major supplier to Canada within the next few years, since the industry there has been declining as a result of social, economic and other problems" and, if so, what is the reason for the delay?

2. Has the supply of sugar from the West Indies been pre-empted by the United Kingdom?

3. Has a massive change in traditional trade patterns taken place since the UK entered the Common Market?

4. Has the government initiated or is it contemplating discussions with the UK and the West Indies with a view to making long term contracts that could stabilize prices and assist the West Indies?

5. Is it the intention of the government to request that the subject of sugar be included on the agenda at the April Commonwealth Conference to be presided over by the Prime Minister of Jamaica in order to give consideration to the realignment of the pattern of Canadian sugar trade?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Food Prices Review Board and the Department of Industry, Trade and Commerce as follows: 1. No, as the sentence quoted in the question from the board's report "Sugar Prices and Policies" represented the board's opinion as of the date of publication of that report (July 1974).

2. The supply of sugar from the West Indies has not been pre-empted. However, bilateral arrangements between the West Indies and the U.S. and U.K. have made these countries more attractive markets in which to sell sugar.

3. There has been no massive change to date, but some changes are anticipated. It is not possible to estimate their extent at this time.

4. There has been no initiative taken to date, but the entire sugar policy is now under review.

5. Although the government does not intend to place this subject on the agenda, it may be raised by other countries.

DETERMINING REDUCTION OF CRIMES DUE TO FURTHER INCARCERATION OF SECOND OFFENDER

Question No. 1,901—**Mr. Kaplan:**

1. Had each offender convicted of a second or subsequent indictable offence since 1968 been imprisoned for 3 years, what would the estimated reduction have been in the number of prosecutions and convictions owing to the incarceration of the offender?

2. What percentage of the total would this reduction represent for each year covered?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Justice and the Solicitor General and Statistics Canada as follows: the information is not available.

*WOOD BUFFALO NATIONAL PARK—GOVERNMENT INTENTIONS

Question No. 1,920—**Mr. Elzinga:**

1. Is it the intention of the government to hold hearings at the federal level only or in conjunction with the Province of Alberta in regard to the removal of parkland in Wood Buffalo National Park?

2. Is it the intention of the government to hold public hearings prior to the removal of any land from a National Park?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer to the first part of the question is no. The answer to the second part is that each case will be judged on its merit, and the call for a public hearing will be met in the forum of this House and in the committee for inquiry.

CLASSIFICATION GRADES USED BY DEPARTMENT OF EXTERNAL AFFAIRS

Question No. 2,084—**Mr. Orlikow:**

1. What are the grades of classification used by the Department of External Affairs above Foreign Service Officer 5?

2. (a) How many officers are employed in each such grade (b) what is the (i) minimum (ii) maximum salary for each such grade?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. None.

2. Not applicable.

FINANCIAL ADMINISTRATION ACT—TOTAL AMOUNT GOVERNOR IN COUNCIL MAY RAISE

Question No. 2,123—**Mr. Stevens:**

After given effect to the power granted in Clause 5 of Bill C-55, as passed by the House of Commons on March 20, 1975, what is the total amount the Governor in Council may raise by way of loan, under the Financial Administration Act, for public works and general purposes and what was the comparable ceiling as of March 31, 1964, 1967, 1970 and 1973?

Hon. John N. Turner (Minister of Finance): 1. $4 billion.

2. March 31, 1964, $1.750 billion; 1967, $1.750 billion; 1970, $3.0 billion; 1973, $3.0 billion.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

BILINGUALISM IN THE PUBLIC SERVICE

Question No. 47—**Mr. Coates:**

1. How many additional employees have been hired by the Public Service Commission, Crown corporations and government boards that have assumed positions that are directly related to the Official Languages Act within government service?

2. Of the total number of open competitions advertised by the Public Service Commission in 1973-74, how many (a) specified bilingualism as an essential for the position (b) listed it as an advantage to appointment (c) were unilingual in either English or French and what was the percentage breakdown between the two languages?

Return tabled.

LIST OF ALL CONFERENCES, NATIONAL OR INTERNATIONAL TO BE HELD IN 1975

Question No. 606—**Mr. Fairweather:**

1. Will the government make public a list of all conferences, national or international, to be held during 1975 to which the government has been invited to send delegations?

2. Will interested groups be given an opportunity to recommend qualified women to serve Canada on such delegations?

3. Is consideration being given to nominating a number of informed and expert private citizens to be part of Canadian delegations where appropriate?

Return tabled.

GOVERNMENT EMPLOYEES IN CONSTITUENCY OF MONCTON

Question No. 1,099—**Mr. Jones:**

1. How many (a) public servants (b) employees of Crown corporations or agencies are employed in the constituency of Moncton?

2. (a) How many of the positions are (i) supervisory (ii) non-supervisory (b) to what departments, corporations or agencies are they attached (c) what are the salaries and positions of each?

3. What positions (a) are not or will not be (b) are or are to be classified or designated as bilingual and as of what date?

4. What positions (a) classified bilingual (b) not classified bilingual are held by bilingual persons?

5. How many of the positions in Part 1 are held by (a) unilingual English persons (b) unilingual French persons (c) bilingual persons?

Return tabled.

● (1500)

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Monday, April 14, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mr. Laniel in the chair.

On clause 2—*Definitions.*

The Chairman: When the committee rose last night, clause 2 was under consideration.

Mr. Ritchie: Mr. Chairman, again we are discussing this bill which has been around here since December. Obviously, the reason we are still discussing it is the recent failure of the various governments involved, both provincial and federal, to reach some sort of agreement or consensus between the oil producers and consumers and the federal government as to what the price of oil should be, so that it

can be of benefit to the industry and to the oil producing provinces and so that the industry may continue to expand and to supply the needs of our country. In reaching a decision as to what should be a reasonable price for oil, account should also be taken of the fact that Canadian consumers should be sheltered from some of the worst effects of the world petroleum situation. We should rejoice in our good fortune that our consumers are not exposed to the full world price and do not have to make the adjustments that would be necessary if the world price were adopted in this country.

The recent federal-provincial conference ended without a national price being set and with disagreement between the producing provinces, the consuming provinces and the federal government. One might consider federal-provincial conferences as a means of solving problems which exist between the federal authority—which presumably functions for the over-all good of Canadians in all regions, and for the good of the provinces which put forward views reflecting their regional situations—and the provinces. This method of producing binding and often far reaching legislation which will affect the country as a whole is assuming greater importance because governments are becoming increasingly involved in various programs in light of the various economic situations which necessitate government action.

In this case there was an outward attempt by the governments to set the price of oil at the wellhead. Federal-provincial conferences will certainly become more and more frequent and more and more involved in economic matters such as price fixing if we keep on moving away from a market economy to a rigid form of government controlled and government directed economy. It is doubtful whether this type of conference is the best forum in which to settle problems such as this, and certainly it seems to make the role of the elected representative irrelevant, whether he be a member of the provincial or federal legislature or whether he be a member of the government or of the opposition. As I said, the recent federal-provincial conference was not successful. Perhaps it was doomed to failure because of the failure of the governments concerned to reach a preliminary agreement in the matter of setting a reasonable oil price before the conference was held.

It seems to me that a number of issues are involved in the bill before us. They affect regional interests, regional needs and regional welfare. In considering this bill, all too often regional interests override the national interest. We must consider—I believe this has been overlooked in our debate until now—what will be the international effect of our action in setting the price for oil in Canada.

This bill is breaking new ground in that the federal government is intruding into provincial jurisdiction by setting the price of a natural resource at a time when it is doubtful that a national emergency exists. By and large, there have been many cases, except in wartime, when the federal government has felt constrained to override provincial jurisdictions and to set prices on a national level. For instance, just recently in the matter of the two-price system for wheat, the Government of Canada set the price of wheat for Canadian consumption at approximately $4.75 a bushel when the world price had been for some months previously nearly $6 a bushel, as a result of which wheat producers were selling at a loss of approximately $1 a bushel. I do not think anyone could construe the situation at that time as being a national emergency. The federal government's decision in that case was supported by enabling legislation whereby provinces delegated power to the Wheat Board to assume control over wheat production.

I doubt whether the present situation with regard to oil can be considered to be a national emergency as defined in section 92(10)(c) of the British North America Act. In my opinion, such an emergency would only arise in the event of hostilities involving this country in a war, or having the effect of cutting off offshore imports such as if there were an outbreak of hostilities in the Middle East. No such emergency has arisen as yet. Indeed, we have a reasonable supply of oil to meet our own needs, at a price greatly below the world level. What we are discussing is how much our price should rise, if at all, and in what manner will the moneys accruing from this price increase serve to secure our supplies for the future. We are certainly not involved in any emergency situation at present.

This bill is of fundamental importance to our nation. Through it, the federal government is attempting to set the price of a resource which is found mainly in one or two provinces. If the government is successful in doing this, it is obvious that provincial jurisdictions will be reduced to asking for hand-outs from the federal government. Another point to be considered is that if the price of oil can be set unilaterally by the federal government, then obviously the price of other resources such as copper, nickel and coal could similarly be set by the government. Furthermore, a good case could be made for setting the price of newsprint, lumber and agricultural products in this country.

This bill assumes even greater importance when we realize that at a time when there is no real emergency, the federal government is attempting to set the price of a resource at whatever level it considers appropriate. Mr. Chairman, this legislation represents a far reaching intrusion into provincial jurisdiction and an extension into the market economy of this country. Before it is used to set a price, real bargaining and real consultation should take place between the federal government, representing the interests of the country as a whole—but, in effect, largely central Canada—and the producing provinces which are mainly Alberta, Saskatchewan and British Columbia.

● (1510)

I think we are agreed that we should not insulate ourselves from the world economy unless it is very disadvantageous. In the finance committee today, the Minister of Finance, in answering a question, suggested that two-price systems for products held open a very real possibility that they would be looked upon as trade barriers similar to tariffs and that retaliatory action would be taken.

Certainly, if an American company or any other foreign company were meeting competition from a Canadian company in its own market, and if the advantage to the Canadian company were dependent on a reduced price for oil or gas used in the manufacture of that product, then the foreign company would be quite justified in urging its

government to erect a tariff barrier against the Canadian product. We ourselves witness the example of our textile industry always complaining bitterly about the low wage structure of Far Eastern countries undermining the industry, and seeking appropriate protection. Similar charges could be levelled at our exports which were dependent on low level oil and gas prices. Obviously, the price of oil and gas should rise to world levels, but we in Canada can be fortunate enough to take some time to reach this level. If the price is to be set below the world level, it must certainly be high enough and the industry must receive enough of it so that exploration will be carried on and security of supply will be furthered as much as possible.

But what has happened to the situation in Canada? There was an increase in the price of oil to $6.50 a barrel. But has this increased exploration activity? Of course not. The November budget of the Minister of Finance scuppered this possibility. There is no point in raising the price of oil unless exploration and development is carried on. Surely the main culprit is the federal government. In his budget, the Minister of Finance, in attempting to prevent the provinces from having accrue to them the benefits the increase in the world price of oil and gas would have brought them, has put in place a punitive federal tax. I think it has to be realized that until recently we have really had to pay money to have people explore for oil and gas. It has been suggested by the hon. member for Qu'Appelle-Moose Mountain that there is only one time for one jurisdiction to steal, but I think we have to recognize that the provinces were there first. The BNA Act gave the right to have this revenue accrue to the provincial jurisdictions, and if the federal government is going to become involved it certainly should be done by negotiation.

There are some figures in a bar graph of where the oil dollar goes. It shows that at $3.80 a barrel the oil industry received 50 cents for lifting, $1.35 for exploration and drilling costs, and 53 cents for industry retention, with the provincial government receiving $1.15 and the federal government 27 cents. After the increase in April to $6.50, the industry's share went to $1.17, whereas the provincial government received $2.97 and the federal government 51 cents. After the November 18 budget the industry retention figure went down to 13 cents. This is the situation in Alberta. The provincial government received $3.34 and the federal government $1.18. In other words, the increase in the federal tax has had the effect of leaving the industry with considerably less than it received when the price was $3.80.

At the recent energy conference Mr. Blakeney, the Premier of Saskatchewan, said that if we just have a flat rate of increase, the big winner will be the federal government; it will receive the lion's share. In other words, without changes this act in itself will not in any way get at the real problem, which is to allow the industry to function better and to produce more supplies and more reserves of gas and oil by the two governments, leaving more money in the industry.

The real problem with this bill and the whole oil pricing system, if we are to have the price set well below the world price, is the failure of the provincial and federal governments to reach common ground. Surely, under the BNA Act and by all historic patterns of tradition, the provincial governments were first in the field of taxation of resources, and if in the national interest of the federal government must take more revenue from resource industries, it should not be done high-handedly and unilaterally. The problem affecting resource industries is not just confined to a vendetta with Alberta; it affects every province in Canada because almost all the provinces have sizeable resource industries.

I spoke to a respected member of the other place, who has been here a long time and is well aware of the structure under which our government operates, about the fact that the provinces were vested under the BNA Act with ownership of resources. He aptly said that while ownership remained with the provinces, federal taxing power over the last 20 or 25 years had effectively reduced the control of the resource industries by the provinces and subverted it largely to the federal field. In effect, the federal government, through the taxation system, has been muscling in on the provincial field.

I think many of our problems as a nation are getting worse and reaching more and more Canadians, especially western Canadians who are becoming extremely skeptical about the advantages of confederation. The federal government is attempting to take over taxation in the resource field and in other fields. At the same time, it has been attempting to slough off many of the shared-cost programs which are so expensive and to divest itself of the responsibility in this field by giving a few taxation points to the provinces. The actions of the federal government in the field of resource taxation have been disastrous for industry and for the country. In today's *Globe and Mail* there is a suggestion that the Ontario mining industry is in a bad way. Mr. O'Brien, quoted in the *Globe and Mail*, states:

> "There is a danger" ... "that Canadian mining companies, which are among the most productive and efficient in the world, are clearly being discouraged from maintaining that position."

So it is not just the oil industry levelling this charge at the federal government; it is the suggestion of many Albertans that the oil industry has been sold out by the federal government. This bill does not in any way solve the fundamental problem that confronts us, which is, how much of the oil dollar should go to the government, and how much to the oil industry? One cannot help agreeing to a considerable extent with the Premier of Ontario who asked, what is the point of increasing the cost of oil and gas unless enough of it goes to the oil industry to make it productive and increase exploration?

● (1520)

Yesterday, the Minister of Finance agreed in the finance committee that the reduction of oil exports to the United States would greatly increase our difficulties in balance of payments problems with that country. Many Canadians have clamoured loud and long for the cessation of exports of oil and gas to the United States. This year alone this would cost us perhaps a billion dollars in lost export trade. Are these same Canadians now prepared to face the consequences of this enormous loss in export trade?

The Minister of Finance has said we expect capital inflows to cover this balance of payments deficit, but if capital comes into the country it further increases foreign

ownership of our mines, factories and resources. For instance, in the finance committee a report was given that a certain type of Saskatchewan crude is being forced out of the United States market because of the export tax. Apparently this type of crude at the present time can only be refined in Minneapolis. There is no use for the crude in Canada, yet the export tax has diminished its use in the United States. This is a clear example of what will happen when we apply government rules indiscriminately.

Mr. Chairman, I do not believe that this bill will solve the problem of how to set the price for oil and gas. The government has given no indication of what it regards as a reasonable increase, if any, in the price. We should have a better definition of what is a true price for oil in this country.

Mr. Baldwin: Mr. Chairman, I will not detain the committee long, although I have other comments to make on a future occasion during the debate. I want to deal with some misstatements by the minister yesterday while they are fresh in my mind and in the minds of hon. members. I am not reluctant to do this because I feel under a certain obligation, following the statement of the hon. member for Vancouver South, to try to supplement the lectures on law which the minister must have received in college and to help him in his knowledge of the law. It is always a pleasure to help promising young lawyers, and I feel an obligation to do so now.

I understand some of the minister's problems, because he has said his advice was received from the Minister of Justice. No wonder he has misconceived the law. When I was a young, freshly-minded barrister and went to the Peace River country to practice, there was there a fine old judge whose knowledge of the law was not very good, nor was his comprehension of the facts. At every assizes, however, he made sure that a lawyer won at least one case. He was known throughout the profession as "Old Judge Necessity". Your Honour will understand that, knowing the motto "Necessity knows no law". I suggest that when the minister gets his legal opinions from the Minister of Justice, this motto should be applied.

I know that the minister has a responsibility to take advice from the Minister of Justice, as the first law officer of the Crown, and his officials. But that does not mean his opinion is always right. The law books of this country are replete with cases where the federal government and the provincial governments, acting on the advice of counsel attached to their departments of justice or solicitors general, have legislated accordingly and have seen the legislation struck down. Because the Minister of Justice and his officials have given this minister some advice does not mean that that advice is necessarily correct. Speaking directly to the point, Mr. Chairman, yesterday the minister referred to the CalOil case as being an indication of the position he had taken, when he said as reported at page 4775 of *Hansard*:

> I really need not do so—

He was referring to the case I had raised.

> —in view of the fact that the Supreme Court of Canada has decided, in relation to the jurisdiction of the National Energy Board, that the Government of Canada does have jurisdiction to set the price of oil and oil products—

[Mr. Ritchie.]

That was the CalOil case. There may be a recent citation, and if I am wrong I hope the minister will correct me and I will accept it. As I understand the situation, however, the Supreme Court of Canada did not sit on that case and did not hear the appeal. I have searched for the citation, unsuccessfully. Perhaps the minister will give it to me.

Mr. Macdonald (Rosedale): It is in the Dominion Law Reports, volume 20, third series, page 472 and following.

Mr. Baldwin: Is that a Supreme Court of Canada decision?

Mr. Macdonald (Rosedale): It was a court made up of all the judges. It looks like the full Supreme Court.

Mr. Baldwin: Is that 1971 and following? Is this following case No. 2 heard by them?

Mr. Macdonald (Rosedale): Yes.

Mr. Baldwin: I appreciate getting that information from the minister, because I was not able to find it. Apart from that fact which was only collateral, my understanding of the situation is that in that case there was a problem with regard to the jurisdiction of the National Energy Board because the so-called Ottawa Valley line had been drawn in such a way as to sever the province of Ontario into two parts. The decision of a former deputy minister of justice, now Mr. Justice Jackett of the Federal Court who wrote the judgment in the first CalOil case, was to the effect that it was not within the jurisdiction of the federal government, or the National Energy Board as its agent, to enact regulations which would in any way interfere with the movement of oil and petroleum products from one part of the province to another.

Immediately after that, as I understand the citation, the National Energy Board met and amended the regulation. Then in a subsequent case in which the same parties were involved, Mr. Justice Dumoulin gave effect to the views of the National Energy Board and the federal government and declared that in fact the changed regulations did permit this prohibition to continue. That was, I think, somewhat different from the situation cited by the minister yesterday which dealt with the question of price. The case, as I read it, in its initial stages—unless some other extraneous issue was raised in the argument before the Supreme Court—was not concerned with price but with movement. I think that disposes of the authority which the minister has cited.

The other point I want to deal with now is the statement made by the minister yesterday. He suggested that the Diefenbaker government passed the National Energy Board Act in 1959 for the purpose of controlling and fixing prices, and that the act gave, and was intended to give, to the federal government the right which the present government is now claiming. I challenge that position. I was here as a member and recall the debate which took place at that time. I have researched some of the debates of 1959 and subsequent years. Allow me to read a statement made by Hon. Gordon Churchill, a distinguished member of the Diefenbaker government. He was minister of trade and commerce and was responsible for piloting the legislation

through the House. He said, as recorded on page 3927 of *Hansard* for May 22, 1959:

● (1530)

Gas prices at the point of production are regarded by the provinces of origin as being under their jurisdiction, and gas prices to the ultimate consumer are controlled by the province in which consumption takes place. The government of Canada has had the power to exercise control over the price of gas being exported under the Exportation of Power and Fluids and Importation of Gas Act—

About that position there is no argument. The minister who was then piloting the bill through the House indicated in the first statement that, beyond any shadow of doubt, gas prices at the point of production were regarded by the provinces of origin as being under their jurisdiction. Mr. Churchill went on to say, as recorded on page 3928:

It is not the practice—

I interpolate by saying that it is neither the practice nor the law.

—in peacetime to control prices or commodities in internal trade, but it is normal to control transportation or transmission charges, as in the case of railway freight rates.

That statement related to the purpose of the enactment of the National Energy Board Act and the establishment of the board. The federal government, through the use of controls and conditions attached to interprovincial trade and through provisions governing the transportation of oil and gas contained in that bill, was enabled to exert some influence on the price of goods at the point of destination. Finally, Mr. Churchill said, as recorded on page 3931 of *Hansard*:

Also I would emphasize again that we have sought with great care to avoid any interference with the proper jurisdiction of the provinces.

I must say that the last statement does not apply to the present government. Let me now deal with what the hon. member for Nanaimo-Cowichan-The Islands said. I was surprised at his position. Let me refer the hon. member to what Mr. Bert Herridge, a member of his party, said on May 18, 1959, as recorded on page 3777 of *Hansard*:

It is true that intraprovincial fuel and power matters are exclusively within the jurisdiction of the provinces. That is as it should be . . . and we in this group would not want to change that one iota.

I shall refer to quotations from other sources later in this debate. I suggest to you, Mr. Chairman, that the statements I have read, and others, make it clear that the government of the day in 1959, in introducing this legislation did not intend to violate ruthlessly the constitution by fixing prices at the wellhead, as the government seeks to do in the present instance. That, I think, was a position of common sense.

The position which my leader took last night is the position my party has always taken. We say that you should attempt to secure consensus on a multilateral basis among all involved parties. If that is not possible, you must consider the possibility of securing an agreement between a producing province and the federal government acting, as it must, on behalf of the people of Canada. But if that agreement is not possible, if for any reason it cannot be reached, that by itself does not automatically give the federal government jurisdiction. Surely it must first await the arrival of an emergency situation before invoking the peace, order and good government clause of the constitution and thereby securing that jurisdiction.

It may well be that present conditions in the world, present conditions in Canada which are distinct from conditions in 1959, the extent to which energy and energy use has become a supremely important element in the social and economic world in which we live, present shortages of energy and apprehended shortages which may be realized in one or two years, may necessitate such changes in our consideration of the constitution as will permit the federal government to invoke that clause. All the same, we are far removed from the situation which applied in 1919 and 1920 when, in the Fort Frances case, the privy council laid down rules with regard to the right of the federal government to intervene in property and civil rights matters which come solely within the jurisdiction of the provincial government.

I readily concede that, considering the situation existing in the world today—we are awaiting reports from boards about potential energy reserves in this country—and considering that our whole social and economic structure is predicated on the use of energy, it is now far easier for the federal government to make that kind of declaration; it is easier than it would have been in 1920 or 1921, or even in 1959. For those reasons we have adopted our position. That position is consistent with the position we took in 1959 as a party, and consistent with our responsibilities as an opposition.

We say that if an emergency does not exist, the federal government does not have the power it suggests it has. We work under a finely-tuned federal system in which the producing province has the right to fix the wellhead price and to dispose of the product at the wellhead to people within the province. Clearly, the consuming province has every right by law to fix the price of the product within that province. In addition, the federal government, through its exercise of powers governing the regulation of trade and commerce and the transportation of a commodity through a pipeline, or commodities involved in interprovincial trade, may affect substantially the price of the commodity as it flows from the producing to the consuming province. But in a federal system, if there is no emergency it must, of necessity, bring all three parties—hopefully there will be three, but in any event there will be two—together and, in exercising leadership, work out an agreement.

Before I sit down, let me make a statement which we shall make over and over again. Unless that emergency exists, failure to reach agreement does not vest the government with powers it does not have.

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member has referred to the CalOil case. May I refer to the case decided in 1971, on appeal, by the full Supreme Court. Mr. Justice Pigeon gave the opinion of the court. The case dealt with a statement of principle. The hon. gentleman spoke about the wellhead price. In the case before the court, the question of the consumer price in the province of Ontario was at stake. The principle of federal regulation was attacked. One of the parties purporting to sell in the Ontario market argued that the restrictions imposed in the National Energy Board Act were beyond the powers of the federal government in so far as they dealt with the regula-

tion of trade and commerce. I quote from Mr. Justice Pigeon what seems to be the clearest enunciation of the principle, to be found at page 477 of Dominion Law Reports, volume 20, third series:

● (1540)

As noted by Dumoulin, J., Lord Tomlin's fourth proposition in the Fish Canneries case . . . is:

(4) There can be a domain in which provincial and Dominion legislation may overlap, in which case neither legislation will be ultra vires if the field is clear, but if the field is not clear and the two legislations meet the Dominion legislation must prevail . . .

This principle was recently applied by this court in such cases as—

He then cites a number of authorities. This is the statement of principle:

It is clear, therefore, that the existence and extent of provincial regulatory authority over specific trades within the province is not the sole criterion to be considered in deciding whether a federal regulation affecting such a trade is invalid. On the contrary, it is no objection when the impugned enactment is an integral part of a scheme for the regulation of international or interprovincial trade, a purpose that is clearly outside provincial jurisdiction and within the exclusive federal field of action.

In other words, the power under the constitution has been given to the federal government in certain cases to regulate trade, including the setting of prices in a particular trade, where that trade is part of an interprovincial or international system of regulation. That is precisely what is provided in this case. Hon. members will have noted the bill is very careful to make it clear that it is to apply to transactions related to the removal of products from a province, removal across a provincial boundary to other parts of Canada or for export.

One of the wisest things the hon. gentleman said yesterday is that perhaps it is not a useful exercise to debate points of law in this parliament. I accept the basis of that. I merely put the proposition of the Supreme Court of Canada on the record and let hon. members and readers of *Hansard* judge for themselves.

Mr. Baldwin: Mr. Chairman, may I ask the minister a question? Is it not a fact that that case involved a situation where CalOil was importing oil into Canada, and the National Energy Board—as it was entitled to, being the appropriate federal authority—set conditions, with regard to the importation of that oil, as to the place to which the oil was to be brought and utilized. This was because originally an attempt was made to take it from one part of one province into another. The decision of Mr. Justice Jackett was against the federal government.

The federal government made no attempt to appeal that decision. It was quite prepared to accept that decision which said, in effect, that the federal government, exercising its right, could not make regulations prohibiting or in any way interfering with the movement of oil from one part of a province to another part: it was prohibited and the federal government was out of court when it attempted to do that. That decision was not appealed. The case had nothing to do with price; it involved the import of oil into Canada with conditions attached.

Mr. Macdonald (Rosedale): Mr. Chairman, I would only say we are not talking about trade within a province; we are talking about its movement as part of an interprovincial scheme. For these purposes, under the constitution where one is talking about international or interprovincial trade, the authority is clear: the federal government, as Mr. Justice Pigeon said, has exclusive jurisdiction.

Mr. Andre: Mr. Chairman, I have enjoyed listening to this erudite discussion between the hon. member for Peace River and the Minister of Energy, Mines and Resources on the constitutionality of the veto clauses of Bill C-32 and whether in fact the government has the authority to set prices. I cannot claim legal training other than that which I have gained from sitting in this House for some 2½ years.

It seems obvious, from sheer logic and by just examining the facts as presented, that the veto clauses are contrary to the constitution, the British North America Act, and the Mineral Transfers Act of 1930 which transferred to the western provinces jurisdiction and ownership of all natural resources. More fundamentally on the legal question, the Mineral Transfers Act, as an amendment to the BNA Act, states in plain English that the resources belong to the provinces: they are owned by the provinces. I submit that if one says "Fine," there is no contest in that regard. However, if the price, the markets, indirectly the royalties, and the transportation shall be dictated by the federal government, what rights of ownership are there? Ownership becomes totally meaningless because in fact total control rests in the hands of the federal Minister of Energy, Mines and Resources.

In view of the very simple reasoning in the Mineral Transfers Act of 1930 that natural resources, including oil and gas and the royalties derived therefrom, are owned by the provincial governments of Canada, these veto clauses which give the Minister of Energy, Mines and Resources the authority unilaterally to set the prices of crude oil and natural gas are contrary to the constitution: they are unconstitutional.

This is the third occasion on which we have discussed this question. In the last parliament there was a predecessor bill, Bill C-18, which was never passed by the House. In this parliament we had the introduction of Bill C-32. Bill C-18 was a bad bill, and because of the minority situation the government was unable to impose it upon the House of Commons and the country. Having achieved a majority on July 8, they introduced Bill C-32, which is worse than Bill C-18. Bill C-18 in the previous parliament was bad; Bill C-32 is worse. As a result of gaining a majority, they expect they can now impose this bill on parliament and, therefore, on the country.

During our deliberations before Christmas, many arguments in opposition to this bill were presented by members of our party and members of the New Democratic Party. We indicated that we objected to the bill. Alternatives were presented to the government in terms of the availability of other acts now in existence, such as the Export and Import Permits Act, through which the government could accomplish the purposes of Bill C-32, namely, a uniform price for crude oil across Canada at something less than the world market price and impose an export charge and subsidy program for the consumers of imported oil east of the Ottawa Valley line. I thought, on the basis of those arguments and the fact that these alternatives were made known to the government, that

they had decided to withdraw the bill. Indeed, they did withdraw it and supplementary estimates were introduced to look after the subsidy program.

● (1550)

Unfortunately, however, it appears I was naive, because this week we began again our consideration of Bill C-32, brought back—coincidentally, I am sure—just a few days after the failure of the conference of first ministers to agree on what the price of crude oil in this country should be after July 30. I am sure I would be forgiven for reaching the conclusion that the Minister of Energy, Mines and Resources has made a political judgment and concluded that because of the failure of this conference, we in the opposition who have opposed the bill might now be more ready to give the government the power it seeks. If the minister is acting on that assumption, I am afraid he is mistaken. He is mistaken if he now thinks we will go along by giving parliamentary sanction to the powers requested in the bill before us.

Mr. Macdonald (Rosedale): Would the hon. member permit a question? Do I understand him to say that he is refusing to allow parliament to reach a decision on this question? Or is he prepared to let parliament come to a decision even though he and his hon. friends intend to vote against the bill?

Mr. Andre: I can only repeat what I have said: our position on this bill remains as adamant as it was before Christmas. As earlier speakers have made clear, we put forward a number of suggestions for amendments which, if adopted, would improve the bill to a point at which it might be acceptable. For instance, there was a suggestion that a time limit be placed upon the powers requested. As I read *Hansard*, however, there does not appear to have been any reciprocal desire on the part of the government to consider these suggestions, some of which would go a long way toward removing the concern we feel. I am assuming that as the committee proceedings continue, an opportunity will arise to look again at some of those proposals and, hopefully, an accord will be reached. Until such time it is a hypothetical exercise to predict how we on this side of the House will vote; it depends on how the discussion proceeds and what accommodations are reached. Does that answer the hon. gentleman's question?

Mr. Macdonald (Rosedale): If I might respond, I can tell the hon. member that of course it does not answer the question I put to him. I can quite understand the hon. member would be embarrassed to admit that he intends to engage in a filibuster, but it seems to me his failure to deal directly with my question was in itself very eloquent.

Mr. Baldwin: The minister has gone out of his way to mention a filibuster. I would only point out that at the request of the government we are not proceeding with this bill tomorrow.

Mr. Beatty: Silence is golden in your case, Don.

Mr. Macdonald (Rosedale): On a question of privilege, Mr. Chairman, the reason we are not proceeding with the bill tomorrow is that I have accepted an invitation from Mr. Speaker to be present in his riding tomorrow afternoon, and it seemed to me nothing more than courtesy to the Speaker that I should fulfil that engagement.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Why not send the hon. member for Peace River in your place?

Mr. Andre: It is a tradition of this chamber to show respect to the Chair and to the occupant thereof, and in this case it is well deserved. However, in view of the minister's announcement, I have some questions about the Speaker's judgment that I did not have previously.

Some hon. Members: Withdraw.

Mr. Andre: The point the minister has made by way of a question reinforces the speculation which certain observers have indulged in, namely, that one of the purposes of the first ministers' meeting was to make it easier for the government to secure the kind of legislation which is before us. I refer particularly to the first day of the meeting, the part which took place under the eye of the camera; it was obviously hopeless to expect to reach a consensus on so sensitive a matter and it might have been expected the minister would then try to use the mounting pressure, in the absence of agreement, as a means of trying to force us to be less adamant in the position we are adopting. But it is not going to work. The reasons for which we oppose this bill, specifically the veto clauses, stand on their own merits. As responsible members of the opposition, we have an obligation to the country to oppose those provisions and to do everything we can to get them amended.

An hon. Member: But not to filibuster.

Mr. Andre: No amount of grandstanding or pressure will work in this instance. We are conscious of our responsibility and we shall not be cowed by threats, name-calling or anything else.

Bill C-32 is plainly a bad bill as it is presently drafted. It is in need of considerable amendment and we shall do everything we can to see that the required amendments are made. In its present form the bill will certainly not aid in the process of negotiation which must form part of any agreement concerning a uniform price for crude oil and natural gas across Canada. This measure is a gun pointed at the heads of the producing provinces. Nobody can negotiate staring down the barrel of a gun, yet this is in essence what the situation will be. Far from facilitating negotiations, meaningful dialogue, participatory democracy or improved federal-provincial relations, these proposals will give rise to greater frustration, increased alienation and all those things the government claims it opposes.

The veto clauses in the bill will certainly not restore confidence and optimism to the industry, and if there is anything in particular which I find disturbing it is the total lack of confidence the industry is showing in Canada's future. Mr. Chairman, there are Canadian companies which have ceased entirely to explore for oil and gas in Canada. They are exploring for oil and gas in the Persian Gulf, the South China Sea and in Indonesia because, in their judgment, the political climate in those countries is superior to that in Canada.

● (1600)

Mr. Cullen: Aw, nuts!

Mr. Andre: They have more confidence that the rules set down by those governments will remain the rules than that the rules set down by this government will remain the rules.

Mr. Cullen: That is $11 and $12 a barrel oil.

Mr. Andre: The Parliamentary Secretary to the Minister of Finance has given his financial judgment as to what has caused this disenchantment on the part of the energy industries in Canada. I can only suggest that while the energy minister is in Sudbury, I arrange some meetings for him in Calgary, where he will soon be straightened out on the situation. He is totally wrong. There is no question that return on investment is a significant factor. The oil companies have no confidence that the government will let them remain a viable industry and receive a reasonable return on their investment. They feel that some of the Arab emirates will in fact be more open, honest and fair in their dealings with them than will the Government of Canada.

It is shocking that such a situation should exist, Mr. Chairman. The provision of these veto clauses in Bill C-32 is one of the main reasons for this feeling. The Minister of Energy, Mines and Resources has virtually managed to destroy the industry or to do it great damage without the sort of powers that he will be given by this bill. Imagine what he could do if he had such powers! He would wipe out the industry in a day.

This bill is not going to improve Canada's supply situation. The most serious problem that we as a nation face today—a problem that must be faced but which apparently no one in the government is facing—arises from the predictions made in the National Energy Board report of last December to the effect that this year we will become a net importer of crude oil. Within six years, according to the report, we will be unable to supply from Canadian sources the area west of the Ottawa Valley. Since the Borden line was introduced in 1959 with the national oil policy, the area west of the Ottawa Valley line has been supplied by Canadian crude oil. We produced more than the market could absorb at that time. However, within six years we will be unable to produce enough to satisfy that market, and Toronto will be in the position of having to rely on imported crude oil, which will be subject to all the vagaries of the Middle East political situation and the consequences that will flow therefrom.

With regard to natural gas, within three years there will be insufficient natural gas produced in Canada to supply Canadian markets. There will have to be rationing or the importation of very high-priced natural gas which will have to be shipped to the country in liquid state, thus driving up the price enormously.

This bill will not add one barrel of oil to Canada's proven recoverable reserves, reserves that have been declining steadily since 1971 and which will lead to the shortage I have just been talking about. This should give us greatest cause for concern and we should redress the situation. Adding to the proven recoverable reserves should be the number one priority objective of a national energy policy and the number one concern of the Minister of Energy, Mines and Resources.

Any evidence of such concern is far from obvious to this observer or to anybody else. If there is any concern at all, it goes no further than some gnashing of teeth and biting of fingernails. There is nothing in the way of positive initiative to try to turn the situation around. Quite the contrary. What we have are veto clauses in this bill which can only make the situation worse.

The bill will do nothing but exacerbate an already alarming equipment drain from the country. The latest estimates indicate that 95 drilling rigs have left or are leaving Canada since the whole energy confrontation started. This in itself is a symptom of the malaise that exists. It is symptomatic of the fact that exploration and development—the search for crude oil, for the new oil supplies that Canada will need for the future—have stopped or have significantly decreased. The owners of the rigs, Canadian companies all, have found that to seek employment they must either move south or to other areas. It is incredible, but nonetheless the fact is that Canada is the only petrolific area in the entire world that has seen a reduction in exploration and development in the industry in the last year. What a testimonial to the energy policies of this country and to any confidence that this government will look after Canada's future energy needs!

Finally, and perhaps most importantly, the bill will certainly not bring about better federal-provincial relations. Far from it. I find it incredible that a government which originally was elected on the basis that it would bring about national unity, that it would pull the country together, that it deplored the divisions existing in the country and that it would make national unity its number one priority and goal, should turn around and resort to tactics that are themselves driving great wedges into the country.

Many of my hon. friends discount statements such as that. They say they are not true, that the feelings of alienation I am talking about are frustration. They accuse me of indulging in rhetoric as an argument to try to maintain the privileged position that these companies now have. That is not the case, Mr. Chairman. The situation is very serious. Those of us who are devoting our lives to the service of this country want to see the country strong and united in all parts. A continuation of these kinds of tactics and the use of brute force in the form of Bill C-32 can only make things worse, exacerbating an already bad situation.

The time has long since passed that the minister and the government should alter their direction and stop trying to pit one part of the country against another. Let them work things out in the manner traditional in Canada, which is the way we have always worked things out. There are some good, well meaning people in all jurisdictions in Canada. If the tactics adopted were conciliatory rather than confrontation tactics, this would go a long way toward reducing feelings of alienation.

● (1610)

For those reasons and many more, we simply cannot go along with this bill. It is a bad bill. It requires amendment because in its present form it will do great damage to the

country. In essence, this bill would give parliamentary sanction to the decision of September 4, 1973, when the government introduced a price freeze on crude oil. That particular decision on that Tuesday after the Labour Day weekend, when the Prime Minister, in response to pressure from the New Democratic Party, made a statement about inflation and the anti-inflationary policies of the government and indicated that there would be a temporary price freeze on crude oil, marked a very clear division between a situation in the country in which the future, certainly in terms of the energy industries and energy supplies, looked rosy and bright to the situation we have today of doom and gloom.

We might compare the situation in the oil and energy industries between the summer of 1973 and the present time. In 1973, the industry, after a fairly long period of limited markets and low cash flows because of low prices, was in a period of tremendous optimism and enthusiasm. All the companies, particularly the Canadian independents which were doing most of the drilling in the great plains area of the western provinces, were geared up to massive programs of resource exploration and development. These companies had expansion programs. There were shortages of personnel such as geophysicists and petroleum engineers, but financing for exploration and resource development was not a particular problem.

As I indicated earlier, basically since 1971 we have been facing a decrease in respect of proven recoverable reserves in Canada. However, there is no doubt in my mind that if the exploration and development efforts planned to take place in 1973 had been carried out, the situation would be reversed and we would be in a position of having increased proven recoverable reserves; we would be in a situation where Canada would be self-sufficient well into the future if anybody cared to extrapolate. The government in July, 1973, introduced an energy policy document called "An Energy Policy for Canada; Phase One," which contained a great deal of very useful information. It contained a very well conducted analysis of Canada's energy situation and some recommendations for a national energy policy that would have made sense and been good for Canada.

Things looked very good in that period: Canada's prospects looked excellent. However, just two short months after this energy policy was introduced, the Prime Minister announced on September 4 a freeze on the price of crude oil. In something less than a month later, because of the provisions under the National Energy Board Act that Canada could not export oil and gas at less than fair market value, it was necessary to invent the export tax. Both moves, the freeze and the export tax, were taken with no consultation with the producing provinces. It was announced by the Prime Minister that this was the way it would be. There was no consultation and, understandably, there was concern on the part of the producing provinces that this move should be taken.

I refer particularly to Saskatchewan and Alberta because in that summer there were three commodities the price of which was controlled—beef, wheat and oil. It would be difficult to name three other commodities more important to the economy of those two provinces. Understandably, the people of Saskatchewan and Alberta asked why these three commodities were frozen under the government's anti-inflationary program. They wondered whether political reasons might be involved. I am afraid we know the answer. Prior to the imposition of the price freeze and the export tax, the Minister of Energy, Mines and Resources indicated that this was just temporary, that the freeze would be taken off on September 30, 1974, and that every dime raised from the export tax would go back to the owners of the resource, the provinces.

The government, in effect, said it had to do this because there was a difficult inflationary situation. What a bunch of nonsense that turned out to be. Far from being a temporary freeze, it became permanent. Far from every dime raised in export taxes being sent back to the producing provinces, nothing was sent back. Far from agreeing that the producing provinces own the resources as indicated in the British North America Act—that they have certain rights of ownership that are inherent in our common law—the government sought to take over all these prerogatives of ownership and in fact to leave the producing provinces with ownership in name only, and no authority.

Now we see Bill C-32 as one more step in the same direction. What has happened in the oil and gas industry as a result of this activity? Today, exploration and development has dropped off markedly. We are the only petrolific country in the world which has a reduction in exploration and development activity. We are losing personnel and equipment. We need exploration and development in order to supply Canada's needs. We face shortages of natural gas and oil in three years and six years, respectively. We have an industry which previously was very optimistic and is now very despondent. Companies which had great exploration and development programs are now laying off and transferring workers. As a member from that area, it is difficult for me not to react at least somewhat angrily when I find that friends and acquaintances of long-standing, loyal Canadians who like Calgary and want to live and raise their families there, are now in a position where in order to pursue their occupation they must move to Dallas, the Middle East, Indonesia or Australia.

The Chairman: Order, please. I must interrupt the hon. member because the time allotted to him has expired.

● (1620)

Mr. Clark (Rocky Mountain): Mr. Chairman, there are a few matters that I want to raise in this debate on Bill C-32. I shall begin by attempting to explain the situation to hon. members who do not come from regions where petroleum is produced. I am speaking here not simply of provinces or of cities but of rural areas where people rely for their livelihood and sustenance upon the oil industry. These people often come from other parts of the country to settle in communities which they anticipated would have some capacity to exist and where they could continue contributing to the economy and the future of Canada. A very real alarm has set in in those communities, a corrosive, cancerous alarm about the very future of their towns and their livelihoods. This matter is related directly to the bill before us, which is seen as one more instance of the

federal government's squeeze upon the people and the industry in this region.

I want to communicate this feeling as effectively as I can. The response is not a regional anger of westerners at the east. The response is a much more direct and personal concern about what will happen to homes, to friends, to investments and to small communities—and I know that many of my colleagues on the government side come from small communities where people have relied upon there being a sense of continuity. In many of the oil producing regions in my constituency of Rocky Mountain, which include the Pembina field and also the original Turner Valley field in Alberta, particularly in the areas where there has been active production, there exists now a sense of pessimism that I do not think has been seen in that part of the country since the days of the depression. People came there with high hopes, perhaps no higher than those of people who moved to other communities to start their careers, but they have seen those hopes suddenly undermined and they are naturally concerned.

Already, in towns such as Drayton Valley, Whitecourt, Fox Creek and Swan Hills—communities that might mean nothing to some hon. members here but which mean a great deal to those who live in them—there is a great and growing concern about the number of people who have moved away, leading businessmen in the towns who ran the Scout groups, who served on municipal councils and school boards, people who saw their businesses in oil field servicing dry up or suddenly become so uneconomical that they unloaded them at a loss. These people are facing problems that are not simply personal but problems that strike at the life of the community.

This is one of the consequences of Bill C-32 and the family of acts of intervention of which this bill is a part. If there were anything inevitable about this, perhaps we would simply have to accept it. I think that no one here is attempting to maintain communities artificially at the standard they had previously. But the point I want to make and what causes so much concern, frustration and bewilderment among constituents of mine is that this attack on the communities where oil and petroleum is produced is not necessary at all. There is no reason for it to happen. The reserves of petroleum and of natural gas in those areas are sufficiently high to allow the communities to expect a long, natural lifespan.

What is shortening that lifespan, what is bringing concern and the possibility of attrition to those communities is not any natural force. It is—and I say this deliberately and precisely—the actions of this government as embodied in Bill C-32, the unilateral introduction of the export tax and of other actions which have been taken without any kind of consideration for the human and social effects which they will have upon parts of the country.

I said that the major concern of the oil producing communities such as those I have enumerated has to do with the immediate effect upon the community of the decisions of the government. There are many businessmen who two or three years ago thought that things were good, that they would be able to provide for their families and prepare for their future, but who are now having second thoughts. There is that level of concern about the immediate future of the community.

[Mr. Clark (Rocky Mountain).]

A matter which should receive careful attention from the House—even if there is not much compassion on the government side for individuals in the communities in my constituency—is the effect that this kind of action has upon the attachment to this country of people who are as good and productive as any whom hon. members opposite have in their constituencies. They see the accumulation of federal initiatives in the energy field as initiatives directed, not against the Premier of Alberta whom the minister might lampoon as some kind of sheik, but against themselves, against their region, against their aspirations.

There has suddenly been a movement directly into their homes, into their lives, of a kind of attack from Ottawa. Naturally, if you see all around you evidence that the direction of the Government of Canada is clearly and precisely against your interest in ways that you can quantify, such as in the number of rigs that leave town, or businesses that begin to lay off their employees or delay expansion, then you begin to wonder about the cost and value of your commitment to the country of which you have always been proud.

I think it would be foolish if members on the government side looked upon the series of acts taken by the minister and his colleagues in energy matters as simply having to do with energy, because in fact they have to do much more with the capacity of the country to hold together and with the will of the people in my part of the country to remain active and contributing Canadians. I had the opportunity the other day to take my colleague, the hon. member for Don Valley, the energy critic of the official opposition, to one of those communities, to Drayton Valley, to see for himself some of the operations in the field and to talk to some of the people who live there in an atmosphere of uncertainty that would worry any member of the House if he found it in his constituency.

The hon. member for Don Valley went away with a predominant understanding, which he had not been able to learn from books or even from elevating debates in the House, of the degree of pride that people who work in the oil industry take in the work they are doing. They consider themselves to be producing Canadians who are dedicating their lives to building the country and to making it grow. They are absolutely bewildered, and indeed their faith in Canada is shattered, when they see a series of government actions which in accumulation seem to attack them for doing the very thing in which they have taken so much pride.

I should say in passing—and I note that the minister is here—that many of the people whom we met in the oil fields in Drayton Valley expressed to the hon. member for Don Valley not simply their appreciation of the fact that he had come to see for himself the human side of what was being done by Ottawa, but also the hope that the minister himself would come. They had hoped that the minister would remove himself from the protection of his advisers who perhaps see things in terms of war games with the provinces or, indeed, perhaps in terms of war games with OPEC nations, and would come himself to visit the people who work and live in an area of Canada where petroleum is produced and where the confidence in an ability to carry on has been very seriously undermined by the

cumulative actions of this government, of which the bill we are considering is only one.

● (1630)

Other members of the House of Commons who have participated in this debate have raised questions about the constitution and about the reason the Government of Canada is embarking upon this particular instrument to try to achieve the goal it says it needs this bill to achieve. I think it is fair for hon. members to be frank with one another. My suspicion is that the real motive for this bill and for the other actions of which it has been part is not a concern about achieving an immediate consensus on price, nor is it a concern about establishing a particular price level in the country; it is, instead, a concern to accumulate to the bosom of the federal government as much power as it possibly can.

As others have argued and as I intend to argue later today, there is no need for this particular instrument to accomplish the goals which the government says it wants to accomplish. Those goals can be accomplished by other means. There is an extraordinary emergency power already in the constitution. There is the well established practice, venerated through many years of Canadian experience, of working out agreements on matters which cause disagreement between the provinces in conferences such as the one we saw last week. There are a number of other ways of doing this; but the only instrument the government is prepared to choose is one which will aggrandize its own power—and I think that that is rooted, unhappily, in a very dangerous view held by the government of the nature of this country.

I regretted yesterday, when the Prime Minister was uttering a very well deserved tribute to the late Senator Crerar—I have not checked to see if the "blues" were corrected—that he made a point of saying that Senator Crerar, when he spoke for western Canada, did not speak in negative terms of alienation or diversity. That, surely, is the operative word. Perhaps he meant "division." I will give him the benefit of the doubt and say that perhaps he meant "division". But if he meant diversity—and I believe that is the word *Hansard* shows in relation to his comments on the late Senator Crerar—that indicates a highly dangerous attitude in this country. It indicates a fundamental suspicion of diversity. In my view and in the view of others who come from other parts of the country, whether they are from areas like Cape Breton, where there are continuing attempts against great odds to maintain culture and civilization and to mine coal, or whether they come from western Alberta, we realize the tremendous importance in this country of national policy which reflects diversity.

We realize, too, that the federal system we have is not a system imposed by someone else from a distance or for some theoretical reason. It is a system which developed because it is the only system which could work in a country so broad and diverse but which wanted to haul together. What frightens me about the attitude I see on the part of this government as it reaches out to establish power under its own control—whether by establishing Petro-Canada or by introducing Bill C-32 which gives it a power it does not need, or by other actions—is that it is trying to change the balance of confederation and to reduce the capacity of provinces and regions which reflect the peculiar diversity of their areas to have that diversity reflected in the whole country.

Quite apart from other questions which might arise in connection with Bill C-32, there is no question—anyone who comes from a distant part of the country will agree with this—that a decision taken here in the isolation of Ottawa respecting other parts of the country will not be taken intelligently unless there is some direct contact with those other parts of the country. The way we can now assure some degree of consultation and of reflection of the great diversity of this country is by having a federal system which is federal in fact and which allows various provinces to exercise powers which are important to them.

This is not a question strictly of economics or energy because, as I indicated at the beginning of my remarks, the effects of this initiative and others which are most notable to me, as a member of parliament who goes home to his constituency, are not the economic or direct energy effects; they are the social effects and the disruption of communities whose leaders must move or operate in uncertainty; they are the effects upon the willingness to remain active in contributing parts of Canada; and they are the effects we see upon the pride which has existed to this point in energy producing areas of this country.

What worries me most of all about this bill is that it is a symbol and a symptom of a much broader attitude toward the nature of a country which considers diversity to be a danger, and which believes that the only way we can achieve agreement in this country is by giving the federal government a big enough club to beat the provinces or regions into some kind of submission. That suggestion is a highly dangerous principle upon which to proceed in a country.

Mr. Cullen: That is a bunch of crap.

Mr. Clark (Rocky Mountain): The hon. member for Sarnia-Lambton, quoting his leader, says that this is a bunch of crap. Well, I agree with him in so far as following that philosophy is a bunch of crap if we want to hold Canada together. But I challenge him to explain to me what other kinds of motives are generating the policies of the government which here, in Bill C-32, is trying to secure an extraordinary power which it does not need; which is determined, under the Petro-Canada bill, to set up an agency whose primary purpose is simply to add to the armament of the federal government; which is acting, in the courts of Canada, to stop the development of cable television and of a cable capacity in the provinces, and which is working in various other fields to aggrandize its own power and to weaken the power of the regions of Canada—because if that philosophy is followed, it could lead to the destruction of the country. I am afraid that it is a philosophy which is all too evident in this bill, because under it the Government of Canada will have an extraordinary power which it does not need. The government can, in extreme circumstances or in emergencies, exercise this power under the provisions already in the constitution. I think that power is the motive and it is a highly dangerous motive.

There is another aspect of this question of the acquisition by the government of extraordinary power. When the

partners in confederation, the provinces and the national government, come to the table more or less as equals, there is an onus upon them to agree. They know that if they do not agree there will be no agreement, but when an extraordinary club or an extraordinary power is put into the hands of one of the members at that table, that undermines the determination of the other partners to come to agreement. It corrodes and erodes the willingness to negotiate. If we grant this desire, we are going to take away from the premiers the incentive to agree when meetings are held such as the one last week. Why should they make all kinds of trade-offs in an effort to ensure the continuity of this country, if the decision is going to be imposed anyway? There is no point in negotiating with a government which already has the power to do what it wants to do.

● (1640)

This instrument would allow the government, whatever the issue, whatever sides people were taking on questions relating to energy, to go to a negotiating table without the need to negotiate. That would undermine the whole future and capacity of negotiations in this country. Anyone acquainted with the history of federal-provincial relations in Canada knows that our success and continuity as a country has relied substantially on the willingness of the various partners to negotiate. It is that willingness which would be undermined if the federal government acquired this extraordinary power.

What is being asked for in Bill C-32 is a regular, continuing, extraordinary power for the Government of Canada; a power which it does not have today. If it did have it in this form, we would not need this law. The government is trying to put into law a new, extraordinary power.

The Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Yewchuk: Mr. Chairman, in the bill before us there are three things which must be considered. The first is the question of unity within this country and the whole subject of federal-provincial relations. The second thing is security of supply of energy for Canada in the foreseeable and distant future. The third important thing is the question of industrial development in western Canada. I think it is fair to say that in the past three, four or five years of this government these three considerations have been in danger.

I should first like to deal briefly with the question of unity. We can all remember the good old days when previous federal governments paid some attention to the constitution of this country and made genuine efforts to maintain reasonable working relationships with the provincial governments. In the last couple of years in particular, steps have been taken by this government, particularly through the Minister of Energy, Mines and Resources, which have put a strain on federal-provincial relationships.

Less than two years ago there was a sudden increase in the world price of petroleum. At that time the federal government, without consultation with the governments of the producing provinces, and in their usual practice of government by news release, announced a tax on all petroleum products exported from this country. I do not object to the principle of the tax or what it was intended to do, but I do object to running roughshod over federal-provincial relations. This attitude cannot be tolerated in our country where so much depends upon unity and good relations between the provincial governments and the federal government.

The next step the government took was to introduce the energy allocations bill. This piece of legislation called for an inordinate amount of power to be given to the Minister of Energy, Mines and Resources; power far beyond what could conceivably be required to deal with any emergency. This measure was introduced without meaningful consultation with the producing provinces and was pushed through in the manner of the playground bully.

The government then imposed the budgetary provision which eliminated royalties from income tax deductibility. That not only created a strain on federal-provincial relations but it created instability in the industry and the economy. The government has followed the pattern set by introducing this petroleum administration bill without meaningful consultation with the producing provinces. The bill provides, in effect, that if the producing provinces do not agree to put a suggested price on oil, then the federal government will do it. Such an attitude is not conducive to good relations.

One could easily draw the conclusion from the steps I have outlined, Mr. Chairman, that this minister wants to amass the power in his own hands, and one might ask why. Certainly, the measures I refer to, particularly the tax changes, have led to an unwillingness on the part of the petroleum industry to carry on with the job it has been doing so well in this country. The government does not seem to have learned anything from the steps it has taken; it does not seem to have observed that exploration and development is decreasing or that security of supply of energy products is jeopardized. It continues to ride roughshod over everybody in order to achieve its goal.

One could almost conclude that this is a deliberate attempt to destroy the petroleum industry in order to make it easier for the federal government to take over not only energy resources but, in due course, all natural resource development in this country. It seems to me that is the direction in which the minister is heading. If the government wants to go in that direction, it should come clean with the people of Canada and say in this House what it is doing. Obviously, it is heading in that direction. Hon. friends to my left may applaud this move, but at least we know where they stand. They stand in different places on different days, but generally speaking they favour nationalizing resource industries, and they have said so.

● (1650)

Mr. Benjamin: Right on.

Mr. Yewchuk: The Minister of Energy, Mines and Resources has often said inside and outside this House that he is in favour of private enterprise developing petroleum and other natural resource industries in this country, yet his actions belie his statements. Not long ago the National Energy Board issued a report which said that

within the next eight or nine years Canadian petroleum products would be in short supply. That report shocked many Canadians because not long ago we were told that we possessed sufficient energy supplies to last us several decades, not just one. Yet suddenly we were told there would be a shortage in the near future.

One wonders about the accuracy of such reports. If there is to be a petroleum shortage within the next ten years, why does the government follow policies which discourage the development of our petroleum industry? Indeed, government policies are bringing about a decrease in exploration and are hindering development. Exploration is on the downswing and companies are looking to other parts of the world for investment. They seek to explore elsewhere because conditions in this country for them have become unpalatable.

What about *quid pro quo* for the West? About a year ago, when the federal government began intruding on provincial jurisdiction in the field of energy, it at least tried to console westerners. Ministers said, "We are going to skim off as much income as we can from the provinces and put it in the federal treasury, but in return we will implement policies beneficial to western development." They talked about reducing transportation costs and stimulating industrial development. We do not hear about these things any more. Nobody on the government side talks about *quid pro quo* for the west; the subject has been forgotten. Instead, the government is now concerned with power: it wants to invade, as quickly as possible, provincial jurisdiction and take over as quickly as possible the development of natural resources. Apparently it is not concerned with the long-term effects on security of supply.

A moment ago I said that a National Energy Board report indicates that we possess supplies of conventional petroleum sufficient only for the next eight or ten years. In the middle of my constituency and forming a large part of it exists one of the largest undeveloped deposits of petroleum in the world in the form of the Athabasca tar sands. It seems to me that development of the tar sands is essential to make sure we do not run out of petroleum by the end of the decade. I am in favour, of course, of increasing exploration for conventional oil: we must do all we can to find and develop these resources. However, we all know that supplies of conventional oil are decreasing. The only logical way to guarantee long-term security of supply for this country lies in the speedy development of the tar sands.

I am distressed to note that the government's remarkable vacillations in policy regarding this country's petroleum industry have resulted in a falling off of interest in the development of the tar sands. Consider for a moment the gestation period needed before a new plant can be born, so to speak. A long period must elapse between the conception of a plant on the drawing board and the actual production of oil. Obviously, we must not waste time; we must develop the tar sands. Past experience shows that it takes, on average, five years to turn a plant conceived on the drawing board into reality. It takes five years to bring new tar sands oil on stream.

At present this country consumes about two million barrels of oil a day. We export about one million barrels of western oil and import an equivalent amount to supply the markets of eastern Canada. As I said, the interval between the design on the drawing board and the operating plant is, on average, five years. We know that tar sands plants of a capacity of about 100,000 barrels a day are being designed. If we want to be assured of secure supplies after the end of the present decade, we must make certain that we possess at least ten tar sands plants each producing 100,000 barrels a day by that time. We need at least one million barrels a day of tar sands oil. Simple arithmetic shows we shall need ten plants each with a production of 100,000 barrels a day.

At present we are not likely to reach this production target. At the moment one plant produces about 65,000 barrels a day and another, under construction, will produce about 125,000 barrels per day. Two or three plants are in the early planning stages and may or may not go ahead. We do not know if they will proceed. This government's vacillating policies have caused uncertainty in the industry and have proved a deterrent to people who want to develop the tar sands. The government should not deter such people; it ought to be concerned about security of supply. We know what could happen if this country became more dependent than it is today on offshore supplies of oil. Oil prices are unpredictable, Madam Chairman.

May I call it five o'clock?

The Assistant Deputy Chairman: As it is five o'clock, and so that the House may proceed to the consideration of private members' business, it is my duty pursuant to Standing Order 15 to leave the chair at this time.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Health—Possibility of provinces sharing cost of chronic care hospitals; the hon. member for Winnipeg North (Mr. Orlikow)—External Affairs—Government position on permitting entry of Valentyn Moroz and family as landed immigrants; the hon. member for Vancouver South (Mr. Fraser)—External Affairs—Discussions with United States concerning transportation of Alaskan oil across Canada.

● (1700)

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

Mr. Lefebvre: Madam Speaker, the hon. member for Kenora-Rainy River (Mr. Reid) is attending the Standing Committee on Miscellaneous Estimates. He has asked me to move his bill, C-367, on his behalf.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

FORT-FALLS BRIDGE AUTHORITY ACT

MEASURE TO REMOVE REQUIREMENT FOR ACT OF U.S. CONGRESS BEFORE COMMENCING CONSTRUCTION

Mr. T. Lefebvre (Pontiac) (for Mr. Reid) moved that Bill C-367, to amend the Fort-Falls Bridge Authority Act, as reported (without amendment) from the Standing Committee on Transport and Communications, be concurred in.

Motion agreed to.

Mr. Lefebvre (for Mr. Reid) moved that the bill be read the third time and do pass.

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

Mr. Lefebvre: Madam Speaker, on behalf of the hon. member for Kenora-Rainy River (Mr. Reid) may I thank the House for its co-operation in helping him to pass this bill which is very important to his constituency.

The Acting Speaker (Mrs. Morin): The House will now proceed to the consideration of Bill C-208, respecting Heritage Day, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. McKinley: Madam Speaker, I rise on a point of order. We cannot agree that this bill be now considered in private members' hour because notice was only given for the bill that was just passed. There are certain members of this party who like to know ahead of time when a particular bill is being brought forward. We cannot consent to it at this time.

Mr. Lefebvre: Madam Speaker, I missed part of the hon. member's remarks. Would he mind repeating them so that I can report this to the authorities?

Mr. McKinley: Yes, Madam Speaker. We were only provided with information for the bill that was just passed. There is a responsibility to give information to hon. members when a bill is coming forward in private members' hour. This information was not provided to us to pass on to our members who are concerned with this Heritage Day bill. Therefore it is my duty to be responsible to those members of our party.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, if there is the kind of objection which has just been stated, there is no point in being difficult. I may say that I do have the authority of the hon. member for Windsor-Walkerville (Mr. MacGuigan) to move this bill on his behalf. It is for this bill and not another in which he is interested. However, if the Conservative party objects, I shall not try to do so at this time.

I wish to make the point that these arrangements that are being made are getting to the point where we are not only facilitating the private members' hour, but we are losing a lot of time. The rule is that when one order is disposed of, we move on to the next. Surely it should have been known that the bill of the hon. member for Kenora-Rainy River (Mr. Reid) would take only a few minutes. Something else should have been ready for this hour. I suppose we now face the problem of what we should do.

An hon. Member: Six o'clock.

Mr. Knowles (Winnipeg North Centre): The hon. member can call it six o'clock if he wants. However, I do not like us giving up 55 minutes of House time. Furthermore, since it is Tuesday I certainly will not agree to our giving up this time if it is going to count as the thirty-first of the 40 hours we have on Mondays and Tuesdays. Maybe we can find some solution to this. I have a bill away down the list, order No. 111, which I am prepared to take, but I certainly do not think we should rise now and say we have had appointed day number 31.

Mr. Lefebvre: Replying to the comments of the House leader of the NDP, I suggest he raise this subject at the next House leaders' meeting rather than wait until these problems arise in the House. Our House leader is not here. I do not see the House leaders of the other parties. The hon. member is speaking as a House leader, and there is no one here to reply to him as such. I suggest he place this on the agenda for the next House leaders' meeting. To help solve the dilemma today, I suggest we return to Bill C-32 until six o'clock.

Mr. Clark (Rocky Mountain): No.

Mr. McKinley: I have to apologize for my voice, Madam Speaker, but I have a cold that has settled in my throat. If we are to do that, some suggestion should have been made before this time. Possibly we could have made some arrangements. At the present time we are not prepared to agree with the suggestion.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I appreciate the comments made by the chief government whip, but I wish to point out that the order of business is not completely in the hands of the House leaders. There is an order paper. At five o'clock on Tuesday the order is private members' business. We would be perfectly within our right to say we will take the first item and then the second item, whether members know about it or not. For the purpose of convenience we have arrived at this agreement, and I have no objection. However, when it is clearly understood that a bill that is called will take only two or three minutes, there should be an understanding that we will move on to something else. As I say, I am prepared to have my bill called. It asks for time off, up to three hours, for new citizens to appear in citizenship courts. Surely that is a reasonable proposition. I do not press it. I just say it is something we could do.

If we reach the point where there is nothing we can do, I make the same plea I made the last time. This hour, which

is only a few minutes, should not count as one of the 40 hours we are allowed for private members' business on Mondays and Tuesdays.

Mr. Lefebvre: Just to show that we on this side of the House are agreeable, I will agree with the hon. member's suggestion that this not be charged to the 40 hours. I agree to that. If it is agreeable, I will call it six o'clock and no time will be lost for private members' business.

The Acting Speaker (Mrs. Morin): Is it agreed that order No. 8 stand?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Is it agreed that we do not count this as a private members' hour?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): The hour appointed for the consideration of private members' business has now expired. Perhaps the House will permit our going into committee of the whole on Bill C-32 before the Chair calls it six o'clock.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: It being six o'clock, I do now leave the chair until eight o'clock.

At 5:12 p.m. the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Yewchuk: Madam Chairman, just before the committee recessed I was saying that the country in which we live has been severely damaged by the policies of the government. I said it was damaged in three ways. The first was in the area of federal-provincial relations and general unity. I said this damage had been done because no consultations of a meaningful nature had taken place before the

announcement of major policies on energy matters was made by the minister.

I also said the country had been damaged as a result of the instability surrounding the petroleum industry, an insecurity which jeopardized the security of future supply. The most obvious place at which the effects of this instability are now visible is the development of the Athabasca tar sands. It is estimated that by the end of the present decade we shall require a million barrels or so a day from the sands, and to achieve this level ten plants must be constructed before the end of the next ten-year period, each producing some 100,000 barrels a day. Because of the time it takes for a plant to go on stream, some five years, it is evident we are up against what I would consider to be an emergency situation right now. Steps must be taken very soon to stimulate the industry, to create a feeling of well-being in the economy so that this important development can proceed forthwith.

I realize it is becoming increasingly popular to expect governments to participate to an ever greater extent in the development of natural resources, particularly in the field of energy. We also are aware that no governments have the machinery or the know-how at the moment to take over from private enterprise—I do not say they could not get it, but at the moment they do not have it. I am not arguing now that government should take over from private enterprise; all I am saying is that private enterprise has been working in this area for several decades and doing a good job. It is only since there has been marked interference on the part of the federal government, and maybe some others, that supplies have been in jeopardy. While some members of the House, and some people in the country may daydream about the day when governments are completely responsible for energy production, the fact remains that our only hope at the moment of assuring security of supply within the next decade or so lies in encouraging the people who have proven their success in the past, and who already have the know-how and the required machinery. I want to impress this on the mind of the minister in the hope he will give it some thought and take steps which will be more useful than those he has taken so far.

This is not the time, Madam Chairman, to be taunting the provinces, or picking fights with the various regions of the country. In days in which Canada is threatened by unemployment on one hand and inflation on the other, the federal government should be striving for co-operation and taking a conciliatory approach in an effort to solve collectively the serious problems which beset the nation. We have not seen this happening. Instead, particularly as far as the Minister of Energy, Mines and Resources is concerned, we have witnessed a series of confrontations staged for no particular reason. It is important that this situation be changed. Perhaps the Prime Minister himself should take a more active role in this area. The Prime Minister is probably quite sincere when he says he wants to come to grips with inflation in some way; his efforts so far have not resulted in any significant improvement. I should like to see the Prime Minister go down in history as the man who, to use his own phrase, wrestled inflation to the ground. However, I fear history will record of his leadership only the phrase "Pierre fuddled while Canada burned".

Some hon. Members: Question!

Mr. MacKay: Madam Chairman, in approaching legislation such as Bill C-32 I am surprised the government, when considering the implications, did not see fit to make a reference to the Supreme Court of Canada. It is not as though there was not sufficient time to permit this to be done—as a number of hon. members have mentioned, this particular piece of legislation has been before the House for many months. The regulation of trade and commerce has always been a delicate and controversial subject. The bill before us has great potential for abuse by a government which is overly concerned about legislative expediency and somewhat impatient with the rights of provinces, and, indeed, of individuals.

● (2010)

The other day I was looking at a book by a contemporary authority on the Canadian constitution, W. R. Lederman, a very distinguished academic who at one time was at Dalhousie University when I was studying there. This distinguished gentleman had some very interesting things to say about the role of courts generally in relation to our constitution, and I should like to put on the record some brief excerpts from his book, which is entitled "The Courts and the Canadian Constitution". Professor Lederman makes the point that the court has an educational role to play, and at page 172 of this book we find the following:

> It is well recognized that the ultimate court in a federal system plays two roles in relation to public opinion. It is first the institutional symbol of balance in the national life, the instrument which seeks to preserve unity in the system of diversity of interest and legal power involved in federalism. Secondly, its deliverances help to educate the public mind as to the historic purposes of the constitution, and the principles applied in the determination of great internal issues.

I do not think any of us would seriously question that under present circumstances this is a great internal issue. A determination is being made by this highest court in the land, parliament, of what the historic role of the provinces will be in the future, having regard to the rights that they and their people have to deal with their own natural resources. The Supreme Court of Canada should have a role as well. Professor Lederman goes on to say that the court is an umpire of the federal system. May I return here to the point with which I began these few remarks and suggest to the minister that I am surprised he did not seek to make use of our Supreme Court.

Professor Lederman continues:

> It is the prime function of the final court to keep the exercise of legislative powers by parliament or legislatures within the limits marked out for them. For that purpose it must interpret the heads of jurisdiction relevant to each exercise of asserted legislative power in reaching its conclusion of validity or invalidity.

Mr. Baldwin: The minister said that he did not need to go to the courts; he had Otto Lang to rely on.

Mr. MacKay: As the hon. member for Peace River says, the minister made reference to the fact that he had received the benefit of an opinion from the Minister of Justice. I believe his exact words were that the bill being put forward carries with it the judgment of the Department of Justice that it is, indeed, within the legislative power of the parliament of Canada to pass this particular enactment. I say to the minister in all sincerity, how much better would it be if he were able to make that statement with reference to the Supreme Court of Canada; and I say that with all due deference to the Minister of Justice.

In looking at another major act dealing with energy, the act that set up the National Energy Board and which came into effect in 1959, it was never intended by that piece of legislation to give the federal government the right to come into a province and fix the wellhead price for petroleum products. The government of that the day exhibited, albeit under circumstances quite different, though not entirely so, from those existing today, a more commendable concern for the rights of the provinces and the citizens of the provinces, since at that particular time the government was content, through the board, by transport controls and so on, to exert an impact on price at the place of arrival, a much different situation from moving in and interfering with prices at the source.

As other hon. members have said—and I do not wish to belabour the point—by applying the same reasoning as that applied to petroleum products the government could institute controls on the price of lumber, because most provinces export lumber. It could do it with iron ore because iron ore will eventually become steel and might be exported. No resource is exempt. So it is quite clear that the government has, if it so chooses, the power to change drastically the traditional roles that the provinces have played in managing their own resources ever since confederation.

I repeat that it becomes imperative that the government do what it did about a year ago, namely, use every effort to bring the provincial premiers back again in a more subdued and businesslike attitude to achieve a consensus, without resorting to legislative enactments of this sort. Again I caution the minister to avoid his tendency to be impatient and inflexible because of his understandable concern to achieve his objective.

There is another option that the minister and his colleagues should pursue to the utmost extent. I refer to bilateral discussions between the producing provinces and the federal government in an attempt to achieve written agreements, preferably supplemented by statutory provisions. If there really is a crisis in the area of Energy, as it was claimed there was about a year ago but which has since turned out to be considerably less than a crisis, if surely, the government can act, as it did with the Energy Allocation Act, as if there were a genuine state of emergency and deal with the situation, without being at this time in a great rush to enact this particular piece of legislation.

A province like Alberta, or any other province for that matter, cannot realistically make an agreement to sell petroleum products outside its own borders without the co-operation of the consuming provinces and the federal government agencies concerned with the transportation of such products. Given the co-operative nature of the marketing and transportation process, I want to ask the minister, without going into the many arguments previously cited, why the matter was not referred to the Supreme Court of Canada so that this, our highest and most prestigious court, could have formulated, through its ruling, the legal and constitutional position.

This ruling could then have served not only as a guide to Parliament and to the government in proceeding with its legislation; it would have demonstrated to all Canadians, and particularly to all those having the responsibility to govern in provinces, that the federal government was truly concerned with the rule of law and was using the resources of our Supreme Court to assist in evolving legislation which, by its very subject matter, had fundamental constitutional implications.

I did not intend to cite a possible amendment in its entirety at this stage, but it does seem to me that it would be appropriate to move an amendment at the end of the bill. For example, an amendment could be moved to add immediately following clause 95 on page 39 a new clause, which could be clause 96, providing for reference to the Supreme Court. Such an amendment could read as follows:

(1) Forthwith after this act is assented to in Her Majesty's name, the governor in council, under section 55 of the Supreme Court Act, shall refer all questions of law and fact concerning the constitutionality of this act and every provision thereof other than this section to the Supreme Court.

(2) Until the Supreme Court has certified to the governor in council its opinion upon each such question, no provision of this act, other than this section, shall come into force at the time of commencement provided therefor under this act or the Interpretation Act and then only to the extent, if any, such provision is in the opinion of the court within the legislative authority of the parliament of Canada.

I think that is necessary in view of clauses 52 and 35, which provide that they come into effect upon proclamation. Another subclause could be added to this effect:

(3) The attorney general of each province shall be notified of the hearing under this section in order that he may be heard if he thinks fit.

I have tried to be reasonably specific in what I have said this evening, that is to say, I have registered my concern about why the resources of the Supreme Court have not in fact been utilized by the minister and the government, since they are there and presumably are available to give guidance. I want to conclude by saying that I hope the minister will address himself to this point and provide me with a resumé of why he has not taken this sort of action. Perhaps he will also say whether he feels that what I have suggested has any merit or not.

● (2020)

The Assistant Deputy Chairman: Shall the clause carry? The hon. member for Peace River.

Mr. Baldwin: I got to my feet a little too rapidly, Madam Chairman. I see I have a competitor to whom I yield.

Mr. Elzinga: Madam Chairman, the reason I did not rise in more of a rush was that I thought the minister would wish to respond to the comments made by the hon. member for Central Nova. This petroleum administration legislation, I believe, does a very good job of setting out the philosophy of the government which governs Canada at the present time. It is the philosophy of confrontation.

When the government cannot achieve its purpose through the proper channels it is more than willing to bring out a club with which literally to ram its feelings down the throats of the objectors. It is no wonder there was not agreement reached at the recent conference of first ministers. How could our provincial administrations be assured that the federal government would not do exactly what it did after the previous meeting? Shortly after that meeting it introduced a budget which, to my understanding, was in disagreement with the consensus reached, and by which it no longer allowed royalties to be an expense deduction.

I should like to read briefly the reaction of the petroleum industry to the elimination of the expense deduction. It reads as follows:

The petroleum industry has been swift and bitterly critical in its reaction to federal budget proposals that may take as much as $800 million away from it in a full year.

Industry men said they deplored the fact that Ottawa has failed to heed earlier complaints that if the tax proposals—first put out in the defeated federal budget of last May—were passed, producers could face an economically untenable position.

I am as concerned about the petroleum industry as about the small consumer, because if we do not have exploration by our petroleum industries we will not have the supply to give to the individuals who so badly need it, and our concern must be a surety of supply.

I wish also to take a few moments to compare this federal administration to the government of Alberta and its reaction. Alberta somehow feels it is just coming into its own in regard to confederation, but the present federal administration wishes to continue its policy of excluding the western parts of our country from full participation in confederation. As I stated earlier, I should like to compare the attitude of the federal government to the attitude of the provincial government of Alberta. I shall quote out of context some remarks made by the Minister of Energy, Mines and Resources when he spoke to the Science Teachers Association of Ontario on November 16, 1974. He stated:

I say . . . the principles of our policy, and they are threefold in regard to petroleum: To reach, through consultation with the provinces, a phased increase in the price of crude oil to a level sufficient to bring on the required additional supplies for Canadians without jumping to the high levels set by the OPEC group; . . .

I should like to dwell on his statement in respect of consultation with the provinces. With regard to this bill, is the minister willing to take the advice and guidance of the provinces when the bill contains a veto clause? What type of consultation is that? This is not consultation, but confrontation. Again let me stress that this administration wishes to have a club by which it can beat and mold the provinces to its own federal wishes.

As a comparison I should like to read the statement of Premier Lougheed which he gave at the federal-provincial conference in Ottawa on January 22, 1974. He stated:

Alberta welcomes the opportunity to participate in this federal-provincial conference on energy. As the major supplier of energy for Canada, we obviously have a substantial stake in the development of sound and fair national energy policies. They must be national policies though—national in the sense they are developed by agreement between the federal government and the provinces and with full recognition that natural resources located within the provinces, under our constitution, are owned by the provinces.

The Premier of Alberta states, "they must be national policies". By his past experience I believe he has proved he is willing to respect the national interest. As he says in his statement, with which I am in agreement, the resources are the property of the provinces under our constitution.

At the same time we find that this Liberal administration is not willing to abide by our constitution and recognize the fact that resources are the property of the provinces. The federal government is not willing to heed the constitution and the rights of the provinces. It is more inclined to ram its beliefs down the throats of what might appear to be minor governments.

There are many areas in respect of petroleum in which we should be very interested. I feel they are somewhat overlooked by this government because it is more interested in grabbing the wealth these resources will produce. The two areas on which I wish to dwell specifically are supply and national unity. The National Energy Board states that Canada will lose its self-sufficiency in respect to oil production by 1982 even if oil exports to the United States are cut off. What has the minister done in the area of security of our supply? What is he doing in respect of finding future reserves which will be very much in demand by future generations? I do not believe he is doing anything in this regard, or in respect of national unity, although the government suggests it is doing much to foster this cause.

I should like to refer to a few paragraphs from an editorial appearing in the Edmonton *Journal* of November 30, 1974, in respect to national unity. I believe it is very appropriate to discuss national unity with regard to this bill because I have a strong inner feeling that the present federal administration thrives on confrontation. It believes in dividing this country as much as it can, and then appearing as the godfather who can bring our country back together again with national unity policies, even when it is the parent that fostered the disgruntled feelings that exist throughout our nation. The editorial states:

> In 1865, when the Eighth Provincial Parliament of Canada asked Queen Victoria to allow the formation of a federation of provinces in British North America, the central objective was 'to protect the diversified interest of the several provinces, and secure efficiency, harmony, and permanency in the Union.'

● (2030)

This government has done very little to protect the diversified interests of the many regions of our country simply because all it does is to appeal to the populace which will continue to re-elect it. The article goes on to say:

> On the surface, the dispute between Ottawa and Alberta is a simple political dogfight over wealth and who will control it. If the conflict were indeed a limited wrangle over money it would be relatively easy to resolve. Instead, profound questions about national unity and the kind of Canada we will have in the future are emerging from the debate.

I think the situation is extremely touchy when we have various regions in Canada competing against each other because the government is dividing us to such an extent that we will be more concerned about regional interests than about the national interest of our country.

The article goes on to read:

> Ottawa has challenged the provinces' traditionally accepted right to certain benefits accruing from ownership and development of natural resources . . .

The federal government is challenging these rights in the bill before us. It would not be so bad if it challenged these rights from time to time, but it is its arrogant attitude in challenging provinces such as Alberta, which produces 85 per cent of the oil in our country, that is so unacceptable. I think we are all aware that what we do want is only a fair price. We do not want to be used as puppets on a string by the Minister of Energy, Mines and Resources.

The editorial also states:

> What is alarming about the Alberta case is that Ottawa's approach to oil pricing and resource royalties embodies the concept of a confederation in which provincial jurisdictions can be invaded unilaterally, both in spirit and in fact, at the whim of the central government; a confederation in which the provinces are entirely subservient to the federal authority and are, in effect, political adjuncts to the federal power.

That is just what this bill will do to the provinces, and that is why we in the Conservative party cannot agree with it. It is our hope that the minister will agree to amend the bill to include a provision for consultation with the provinces and to exclude a veto clause under which the government could force its own wishes on individual provinces across the country.

The article also states:

> It is equally ironic that Prime Minister Trudeau, that most articulate and ardent supporter of Canadian federalism, should be heading the government that is sowing such discord among the provinces.

Let me state, incidentally, that I disagree with the statement in the article that the Prime Minister is an articulate and ardent supporter of Canadian federalism. It is evident that the government thrives on confrontation and this bill is a fine example of just that.

I should like to relate to the committee a story that was told to me a good many years ago. As it comes back to my mind it makes me think of our present administration and of our Minister of Energy, Mines and Resources. It is a story about a man who envisioned himself pushing a wheelbarrow with a man sitting in it, on a tightrope across Niagara Falls. What our minister is asking of the Canadian people is for them to hop into a wheelbarrow which he would push on a tightrope across Niagara Falls.

I think it is evident that in western Canada we do not have that much faith in this administration, and rightly so, judging from the administration's past actions. For example, an agreement was reached by this government and the provinces a year ago but subsequently disregarded in the budget. How can we have faith in an administration that agrees to one thing at one time, and rejects it when it no longer fits its purpose?

In conclusion I should like to pose the same question that the hon. member for Central Nova put to the minister, because I am very interested in the minister's reaction to that proposal put forward by the hon. member. I would also like to know the reaction this government has received to this legislation from the various provinces.

Mr. Baker (Grenville-Carleton): Mr. Chairman—

Mr. Gilbert: This is a filibuster.

Mr. Baker (Grenville-Carleton): Judging from the remark just made by the hon. member for Broadview who has just awakened, one would think that the situation that we are discussing and the circumstances surrounding the proposed legislation affect other parts of Canada than the part that he represents. As a matter of fact this bill affects

all parts of Canada, and particularly the province of Ontario.

It is important that we consider for a moment the geography of this country and, if one does so, one realizes that in terms of access to supply of energy, whether for home consumption for the operation of automobiles or for the operation and fueling of the industrial capacity of central Canada—which I know is sometimes the cause of comment in other parts of Canada—petroleum is significant, and Ontario is a land locked province. Any discussions in this House, any first ministers' conference, any statements by the Minister of Energy, Mines and Resources on any aspect dealing with the supply of energy for all of the purposes I have mentioned do not end, so far as we are concerned, at the Alberta, Saskatchewan or Manitoba borders but they concern us also deeply and vitally in this part of Canada.

So I think that we must look at this bill from the point of view of Ontario, and the first question we must ask of the minister is: what will this bill do under the present circumstances to ensure one more gallon of oil, one more cubic foot of natural gas, that could not be provided by reasonable consultation? I do not want any member of the House to think that the only people who are concerned about the proper interpretation of this badly battered British North America Act are the people of Alberta or the people of western Canada, because we in central Canada are very much concerned as well.

From the point of view of central Canada the significance of the first ministers' conference and of the proposed legislation, as well as all that flows from those two events, and indeed of the attitude of the Minister of Energy, Mines and Resources, is that if the power is given to the minister and to his department as set forth in clauses 36 and 52, then the people of central Canada can expect forthwith an increase in the price of fuel, in the price of gas, and in other prices.

Mr. Foster: Will the hon. member permit a question?

Mr. Baker (Grenville-Carleton): No, I will not permit a question. Let the hon. member sit down and he can ask me again when I have concluded my remarks. I am taking my cue from the Minister of Energy, Mines and Resources.

An hon. Member: What arrogance!

Mr. Baker (Grenville-Carleton): That is how important this is to the province of Ontario, and it is precisely for this reason, and also because there is a deep constitutional matter involved in this whole consideration, that the premier of Ontario, the Hon. William Davis, took the position which he was bound to take at the first ministers' conference last week. I think it is important that the people of Ontario, and the hon. members from Ontario on the other side of the House who represent people in Ontario, understand the importance of that position.

● (2040)

I heard the speech made by the premier of Ontario. In a statistical way he outlined what an increase in the price of oil might mean immediately. He told of the effect it could have on inflation, on employment, and on the development of industry in the province of Ontario. It is important to Canada, just as it is important to all of us in Ontario and in any other part of Canada, that there be a reasonable opportunity for the continuance and development of the petroleum industry in western Canada.

Surely the essence of this debate is the balance of interest between the various provinces of Canada. When the minister, in the absence of a crisis, takes upon himself the powers this bill gives to him, or he asks this parliament to give to him, then I think anyone who has any feeling at all about this question of the constitutional balance between the provinces and the central government has to sit up and take notice, and ask why and what the effect of it will be.

I certainly would agree with the hon. member for Qu'Appelle-Moose Mountain who said, in effect, that the whole constitutional process of this country has been one of consultation. I think this is one of the few times when there has been an attempt by the federal government to amend by a statute the British North America Act, and it is really an attempt to do indirectly what it could not do directly. There is not one member of parliament or anyone in the country who would say, given a demonstrable crisis or an emergency, that the government ought not to have the powers it asks for, but there are very few people in this country who, in the absence of that emergency or crisis, would willingly allow this unilateral amendment to the British North America Act. The leader of the government has indicated that if he is given this power—and that is why he is asking for it—he is going to raise the price of petroleum. That is not to say that the price of petroleum ought to stay the same forever. Of course it cannot.

There is something unique about this country. The constitution of this country came about because some fairly wise men in 1867 decided that it was worth while to build a nation in the northern half of North America. Given the state of affairs and the threats they were confronted with at that time, and the advantages which would accrue to nationhood, they sat around a table, consulted, came to an agreement, and the country was born. It is a pretty fragile thing, a country born out of agreement and consensus rather than revolution and war. That fragility has to be nurtured at each turn of the road, and this government is about as far removed from the good constitutional gardener as I can imagine.

There have been some in my part of Canada who have called the premier of Alberta a blue eyed Arab, and a number of other things. Much of this has emanated from the press. Much has emanated from the mouths of the Prime Minister and the Minister of Energy, Mines and Resources. In all of this they have perhaps done more damage to the cause of confederation than anything else.

I have listened very carefully to the speeches which have been made, I have read the reports and the statements, and I think that it has to be recognized that a provincial premier has a legitimate part to play in the national scene, and that, if he failed to play his part, most Canadians in his province would repudiate him. I think that the premier of Alberta adopted at the conference a reasonable attitude with respect to this situation, having regard to his interest and the national interest. It is that kind of attitude of reasonableness which ought to be

seized upon by the government rather than immediately legislating into place the power the Minister of Energy, Mines and Resources just loves to wield. Perhaps an element of understanding, which even he may be capable of from time to time, should be wheeled into place.

It has to be demonstrated to this House that all consultation has failed at the time that agreements run out, that there is indeed a crisis in terms of supply, that there is a difficulty with respect to the development industries—those things must be balanced—and if there were a referral to this parliament of that situation then I am satisfied that this parliament would react in the national interest, and that would be understood by the people of every province.

The BNA Act does not just sit on the statute books to be ignored or to be circumvented. This problem is so important that the minister ought to accept the suggestion of the hon. member for Central Nova and refer this matter to the Supreme Court of Canada to have the constitutional position satisfied. The minister said yesterday that he was basing his case on the regulation of interprovincial commerce. That is his whole case. He puts upon himself the clothing of a constitutional lawyer, aided and abetted by a questionable opinion from the Department of Justice. Others in the constitutional debate say that that is not so, and that it deals basically in the field of property and civil rights. It seems to me that the issues are very clearly defined. They are the kind of issues, in terms of jurisdiction, which ought to be referred to the Supreme Court of Canada. It may be that the reason why the minister is not referring it to the Supreme Court of Canada is because of some doubt about what might be the outcome.

In any event I think it is worthwhile, not just for the idle fighting of a case in court but to establish the constitutional position, that the minister consider very carefully the suggestion of the hon. member and of others, that the issues are just that important in terms of our constitution, that the varying provincial and regional interests are just that important in terms of our country, and that the interests of the people of the province of Ontario in terms of price must be balanced equitably and justly with the interests of the people of the province of Alberta in terms of development.

But, most of all, no one should sit idly by in this chamber and accept the word of the Minister of Energy, Mines and Resources that he must have these powers, particularly when he and the leader of his government have indicated that they intend to use them immediately in a way which will likely be detrimental to the country as a whole. I ask that the minister consider this point of view. It is not just a western problem, it is not just a problem of the producing provinces, but also a problem which affects consuming provinces. I ask him to consider very carefully whether it is wise, in all of the circumstances, for him to proceed along the lines he is proceeding, in view of the importance of this issue.

● (2050)

Mr. Macdonald (Rosedale): Madam Chairman, that was an interesting intervention by the hon. member for Grenville-Carleton. He suggested that in putting forth this bill I am counselling the ignoring of the British North America Act—that is a direct quote—that I am proposing the circumvention of the constitution, and that the policy involved is against the interests of the people of Canada. He used a very interesting sentence which I noted carefully. He said that a provincial premier does have a legitimate part to play and that most citizens in his province would repudiate him unless he speaks for the interest of that particular province.

[Mr. Baker (Grenville-Carleton).]

Mr. Baker (Grenville-Carleton): It was in the "national interest". You heard me.

Mr. Macdonald (Rosedale): Let the record be checked.

Mr. Baker (Grenville-Carleton): You check it tomorrow.

Mr. Macdonald (Rosedale): The interesting thing is that the hon. member for Grenville-Carleton may have neglected to notice the fact that the position of the premier of Ontario, the provincial treasurer of Ontario and the Ontario government—which at one time he supported—was not just support for a measure to deal with oil and gas prices in general, not just that some provision to be used in the event of an emergency should be carried into enactment by this parliament, but specifically that Bill C-32, this legislative proposal, should be enacted by this parliament as soon as possible. If the hon. member had been following the events of the conference last week he would have noted that the premier of Ontario referred to that several times.

I draw that interesting conclusion as evidence of the extent to which this is just another area in which that premier has lost the support of the province. I have some belief at least that he was seeking to appeal on behalf of the citizens of Ontario in asking us to take this action to protect the consumers of Canada from unilateral action on the part of other provinces.

The hon. member raises the question of whether this is an appropriate action that we should be taking. I am not asking him to believe me. He does not have to accept my word, but if he is going to reject my word, and this bill, he is also significantly rejecting the premier of Ontario and the government at Queen's Park.

Mr. Benjamin: Madam Chairman, I rise to intervene in this debate because I was astounded on a number of occasions, yesterday and today, by the remarks of various hon. members, particularly those to my right, and most particularly the hon. member for Grenville-Carleton. The hon. member for Nanaimo-Cowichan-The Islands has reminded me that these are the same people who were proposing price controls a short time ago. We have not heard much about that in recent months. Now we are getting it from the other side as well, and they won an election opposing price controls.

We supported this legislation on second reading on the grounds that the Government of Canada should have the power to control these prices, or to set them if agreement cannot be reached. We have also taken the position that there is absolutely no justification for oil price increases unless all the extra money derived therefrom goes into exploration and development production. If that is not the

case, then there is no legitimate reason for a price increase.

I understand why my colleagues to my right and some other people in the country feel sorry for the oil industry, but I do not agree with them. It was the premier of an oil-producing province—not the premier of Ontario or Quebec—who said that if there is to be any increase in the price of oil it should go into an energy security fund to be controlled by the people of Canada through the federal and provincial governments.

The minister has no assurance, nor have my hon. friends to my right, that the oil industry will do any more exploration than it is doing at present. One could assume, perhaps with a degree of certainty, that it would put some money into exploration, but unless all the money is allocated to exploration, development and production of energy resources, whether oil, gas, uranium, electrical power or whatever, then there is no justification for an increase. We agree, however, that in the final analysis if there is no agreement then the federal government should have that power.

I can understand why there is no agreement from at least one producing province. There was an agreement in March of last year and Saskatchewan lived up to it. Every nickel of its windfall money went into a capital fund, as had been agreed. It would have been nice, of course, to spend that money on roads, or on health and welfare, but it all went into a capital fund to be used for exploration and development. But this minister, the Minister of Finance, and the government doublecrossed us. I have urged the premier of Saskatchewan to keep his back to the wall and his gun loose in his holster the next time he comes to Ottawa, and to make sure that he gets everything in writing. In spite of that betrayal, however, the premier of Saskatchewan was the only one who returned here last week with a positive proposal.

Last night the hon. member for Qu'Appelle-Moose Mountain said that Saskatchewan says it can steal and Alberta says it can steal. I do not know about Alberta, but the premier of Saskatchewan said that we will not steal and that, even though the resources are ours, if there is a price increase all this money will go into energy research development and exploration development.

It seems to me that a lot of this debate is not concerned so much with the constitution of Canada or the security of energy resources for the future as with the welfare and good order of a lot of multinational oil companies. What assurance do we have that the majors in the oil industry will use the funds derived from a price increase for production and exploration? The premier of Saskatchewan provided ample information. We have no assurance at all, and the evidence is to the contrary.

In spite of the fancy advertisements shown by Imperial Oil during the hockey games about how they are going to save us all in Canada, the evidence is to the contrary. While their profits after deduction of all expenses, taxes and royalties, were going up, they were not doing anything extra in exploration and production. From 1965 to 1974, with the exception of one year, their net profits from Alberta and Saskatchewan increased. In 1966 they took out of Alberta and Saskatchewan $160 million in net profits, and by 1974 they were taking $786 million. They made that much after paying taxes, royalties, expenses, lifting costs—the whole bit. And what did they spend in Alberta and Saskatchewan, in 1974, for exploration and development? They spent $220 million. Where did the other $566 million go? I say that anybody who says that any amount of increased oil and gas prices should go to the industry is betraying our country and betraying the possibility of security of energy resources for the future. The companies had their chance and they blew it.

● (2100)

Mr. Balfour: Would the hon. member permit a question? Were the figures he mentioned production profits taken from Alberta and Saskatchewan?

Mr. Benjamin: They are oil industry profits, in Canada, in millions of dollars.

Mr. Balfour: Is the hon. member sure?

Mr. Benjamin: Wait; they are profits in Alberta and Saskatchewan. I am sorry. They represent oil industry profits from all over Canada. I may have been out by a few million dollars. I do not know how profits made in those provinces compare with oil profits made in the other eight provinces. Most profits were made in Alberta and Saskatchewan. I am glad the hon. member drew my attention to this fact.

The point is they made $786 million in net profits after taxes, dividends, royalties and allowing for reserves. How much did they put into exploration in all Canada, including Alberta and Saskatchewan? If you say they put $659 million into all Canada, that leaves $129 million-odd unaccounted for. Yet some people are proposing that we should raise oil prices and pay some of the increase to the industry.

Let us see what happened in the years when their cash flow was going up. What did they do in exploration? Back in 1965, 1966, 1967 and 1968, the companies made a large base profit after paying all operating expenses, including royalties, and after paying income tax, extraordinary items and discretionary expenses—whatever that means. Perhaps, in the oil industry, discretionary expenses means donations to the Liberal and Tory parties. I don't know.

Around 1965 their cash flow was in the neighbourhood of $430 million or $440 million, and the oil industry spent on exploration between $170 million and $180 million in all Canada. In Alberta and Saskatchewan they spent around $120 million. When you look at the figures for 1972-74, you will see that their cash flow was in the order of $800 million, $1,200 million and $1,600 million. Did exploration expenditures for all Canada go up proportionately? No way! They certainly did not. Their exploration expenditures went up to a total of $600 million for all Canada. Therefore the proportion is lower. Their exploration record in Alberta and Saskatchewan is even worse. The expenditure stayed where it was, in the area of $180 million to $200 million. And some people want the oil industry to get part of any increased price for oil and gas.

When the industry's cash flow climbed to the $1,600 million mark in 1974, the proportion spent on exploration went down. Why should any part of a price increase go to the industry? Some say some or all of any increase should

go to the industry. Really, Madam Chairman, I find that difficult to accept.

We agree that the minister should have this power if he does not get agreement. I agree with what some hon. friends to my right have said. There is good reason for at least one province, after the double-cross of last year, to say, "Bring in your budget, and we will see what we shall do. We are not prepared to make the kind of agreement we made last time. We are not prepared to play a game in which the rules change half way through it, because that is what the government did last time." The government wonders why it has difficulty getting a consensus. It will find it difficult to get any consensus even on the time of day after what happened in its dealings with certain provinces.

We hear a lot about the difficulties of independent companies, and a lot of weeping and wailing. Someone has to do the weeping and wailing for the independents, the drilling and exploration companies in Canada. Really, the big seven do not do the drilling and exploration in this country. They have done a small amount of it in the past, but the major portion of the activity has always been undertaken by independents, most of whom are Canadian-owned and who have the expertise.

Mr. Balfour: How many remained in Saskatchewan?

Mr. Benjamin: Sure, companies have left Saskatchewan and Alberta. They followed the multinationals. They are the slaves of the multinational corporations, which brings me to the point about which the hon. member for Regina East is concerned. If Imperial Oil can increase its profits by 176 per cent in four years and take that much out of this country, that is not a bad deal at all. If they decide to drill in the North Sea, or Indonesia, or Nigeria, the service and drilling rigs pack up and follow them. There is nothing new about that. They have been doing it ever since the first oil well was discovered. But you do not see Imperial Oil running around with drilling service rigs; nor does any other multinational oil company do this.

The point is that in Canada we have developed expertise that is second to none in drilling, exploration, and innovation. Why do we not explore more ourselves and drill for our own oil resources? We really do not need Imperial, Gulf, Shell, Texaco, Hudson's Bay Oil and Gas, Petrofina, or Pan Canadian, the little subsidiary of the CPR. We could go ahead on our own. Even when the federal government, together with Ontario, Alberta and the Syncrude consortium made the agreement to go ahead finally with the Syncrude operation, one premier of a producing province suggested a way by which we could operate a publicly-owned Syncrude type operation. He suggested that if we put $2 per barrel on the price of oil and set that amount aside for development, each year we could spend $1.4 billion on a Syncrude-type plant. He was talking about adding a plant each year.

An hon. Member: And what happened in Saskatchewan in 1950?

Mr. Benjamin: Listen to these free enterprise supporters crying. They keep saying, "We can't do anything unless the companies do it for us." Baloney. That is a lot of malarkey, and has always been. Even the blue-eyed Arabs of the Middle East and South America are saying that we have been "had" all these years. They say, "We don't need those oil companies," and neither do we. We have exploration and drilling expertise. True, some of the companies went bankrupt. I have some relatives who were in the oil well drilling and servicing industry and I can tell you what happened to them at the tender hands of Imperial Oil and Gulf. They invested a lifetime of savings and effort and were left in the lurch, because these multinational corporations did not do the job they were supposed to do.

Do you suppose Imperial Oil operates on principles of altruism? Why do they operate in Canada? Madam Chairman, they operated here because they wanted the bucks. That is the only reason. Their operation had nothing to do with the welfare and good order of our country and the people living in it. How much longer will we cater to these people, especially when we can do this work ourselves?

This legislation would be good if it got the minister and the government off their backsides. We could undertake these operations, either with a totally publicly-owned Crown corporation or with a combination of public ownership and private enterprise; but the operation should be Canadian-owned and controlled. That is important. The government has not had the courage to go that far. The present price of the resource appears to be the only concern of the federal government. Apparently the minister is concerned about any return that the industry needs or has the right to expect if there is to be an increase.

● (2110)

If the minister is going to keep using the multinational corporations and not keep on letting them use him, he needs power in the legislation to require them to put all of that extra money into research, exploration and development, not only for oil and gas, but the whole spectrum of energy sources in this country. Instead of that, he is going to go half way.

I respect the Progressive Conservative party and their concerns. At least they stand up for private enterprise and the glories of it. However, the minister wants to go down the middle and have it both ways; a little bit to industry and a little bit to the producing provinces. He wants one price for consumers across this country. He is trying to do a little bit for each of them, but is not really doing anything. It is in the same mess as it was when the Conservatives were defeated. In fact, it has got progressively worse.

I hate to say this, and I will say it without any malice. When I took my family to Montreal in 1967 to see Expo, we were happy about our one hundredth birthday and proud of confederation. However, when buying gas for my car in Ottawa, Montreal and Three Rivers, I paid between seven and ten cents a gallon less than in Saskatchewan where we live right on top of the oil. For 13 years I did not hear anyone from Ontario, Quebec or the Atlantic provinces say there should be one price across Canada. They had the benefit of cheap off-shore crude, but they did not say we should even out that price. Western Canadians paid higher gas, farm fuel and heating fuel prices for 13 years than those in Quebec and the Atlantic provinces. However, we did not hear one word about there being one price across

Canada. The Middle East countries have increased their prices and eastern Canadians now have to pay more. So all of a sudden we need to have one price across Canada, and we are to have a two-price system.

Alberta and Saskatchewan have made their contribution to confederation. Both agreed to forgo hundreds of millions of dollars of revenue that could have been theirs at the world price. What happened? They got double-crossed. Saskatchewan certainly did.

The Assistant Deputy Chairman: I regret to interrupt the hon. member, but his time has expired.

Mr. Baldwin: Madam Chairman, I was hoping that these interesting tales from Scheherazade to which we were listening would be continued by the hon. member. However, we will get the next instalment later.

I want to comment on something that was said by the hon. member for Central Nova with regard to the question of emergency. As a matter of fact it would be rather simple for the government to establish to any intelligent and objective court that there was a state of emergency, and these powers could then be obtained. If you put before a court of this land the series of walking disasters that have been afflicted upon Canada, I am sure they would say that a country with a government like this is certainly in a state of emergency. There have been a few exceptions. The Postmaster General is now having a latter repentance about the genies he helped unloose from Pandora's box. I am mixing my metaphors, but hon. members will understand what I mean. He is trying to put them back, without too much success.

I want to ask the minister a few questions. Some are rhetorical, some are actual. He may answer them sometime during the course of the debate.

Through cases decided in the Supreme Court of Canada and by superior court judges, I have established, with the law as it now stands, that if a transaction takes place entirely within a province, it is for the province to regulate, even though the commodity is to its greatest extent being exported, or has been or will be going into the channels of interprovincial or international trade. That is the law as it has been laid down, with the following exception. If the intent of the provincial regulation or statute is clearly aimed at dealing with the regulation of trade and commerce, even though the transaction takes place entirely within the province, it is offensive and can be struck down. If that is not the case, if a transaction is entirely within a province consisting of a sale or a movement, it is for the province to regulate. The province can regulate, the federal government cannot.

In the first CalOil case a former deputy minister said that the federal government has not the right, despite clear evidence that the commodity in question was one which came from outside the country under the provisions of federal government legislation dealing with the import, subject to conditions, to have control with regard to movement from one part of the province to the other.

There was a situation in the province of Quebec where the processing and pricing of milk, which was known to be shipped out of the province to its largest extent, was squarely within the competence of the province. There was a case in Saskatchewan where, despite the fact that 98 per cent of the crude in that province was being exported, the right to deal with it and in effect to fix pricing was with the provincial government. That transaction was entirely within that province. This is the law as it now stands.

What would be the situation if British Columbia, Alberta and Saskatchewan acquired Crown corporations with the jurisdiction to buy crude petroleum being produced at the wellhead? What is the position of such a corporation if it purchases from the producer the oil which is produced? Is it subject to this legislation? I see the minister is likely to answer yes. If that is the case, it is a good thing to know. In that case the province of Saskatchewan, which would be acquiring at the wellhead through the agency of a Crown corporation the crude petroleum being produced, would have to pay the price prescribed in this legislation.

What would be the situation if a provincial agency, corporation or individual in the private sector purchased the crude at the wellhead and sold it to an interprovincial pipeline in a transaction entirely within the province? What would be the situation if a corporation producing crude petroleum sold to a storage facility which is storing within the limits of the province? What would be the situation if a refinery acquired crude petroleum from producing wells and from people who own the producing wells within the province?

● (2120)

If a refinery purchases the crude, refines it, and then sells the petroleum partly in the province and partly outside it, does such a refinery have to buy at the price prescribed in this bill? This question goes to the heart of the situation. I have been talking about petroleum but the same applies to natural gas.

If one reads clause 36, clauses 40 to 44 inclusive, and the corresponding clauses dealing with natural gas, one can only reach the conclusion that transactions taking place entirely within a province are subject to the provisions of the legislation, and that people buying or selling must do so at the price prescribed unless a party to the transaction fulfils the onus of establishing, by documentary evidence to the satisfaction of the minister or his officials, that the transaction was limited to production purchased and sold entirely within a province. This would include provincial Crown agencies. This being the case there is no question that the provisions of the bill are repugnant to our present law and repugnant to the constitution, and for these reasons we feel they should not be supported except subject to the amendments we have put forward.

Mr. Benjamin: Mr. Chairman, I have a couple of other remarks I would like to make. The hon. member for Peace River made mention of British Columbia, Alberta and Saskatchewan which have set up Crown corporations. Here again we in this party would certainly like to hear from the minister and get any kind of verbal commitments—although we are a little leery of that because we tried that before, over a year ago, and look what it got us. But supposing the minister were successful in negotiating a small, modest price increase with the Province of Saskatchewan, say 50 cents, or a dollar a barrel, and all of that extra money was to be spent by the Province of Saskatche-

wan, through its Crown corporation—SaskOil—in exploration, research, development and production, would the minister then forget about counting that money against equalization? Will he assure us that the Minister of Justice will forget about taxing the Crown corporation?

If a producing province decides to take charge of the development of its energy resources, no matter what province, or whether it is oil, or gas, or some other form of energy, if there is a lack of leadership by the federal government and a lack of the provision of co-ordination, will the minister make it as easy as possible for them to do it? Or will he do otherwise in an effort to shore up—as I heard him say on television when he was being interviewed by the press a few Sundays ago—his own view that it goes against his grain personally if you are not using the private enterprise sector? I heard the minister say words to that effect on television on a national program.

Does that mean that, if any province wishes to launch into taking charge of the development of its energy resources, the minister will throw up any roadblocks he can to prevent SaskOil, or any other province? Does it mean that those provinces can look forward to all the roadblocks possible to prevent public ownership, operation and control of the development of their own energy resources? Unless we can get some indications about that from the minister he should be happy that we supported his bill in principle, let alone any way else. But what more can he tell us about his plans and his programs for the future?

Another point which was made by the hon. member for Nanaimo-Cowichan-The Islands was also made by the premier of Saskatchewan. I am not going to be shy about repeating it. Again, if you are going to increase the present price and the consumers of Canada pay more for old oil so that you can find new oil, are the people of Canada going to pay more for that again? In other words, are the people to be expected to pay twice for security of supply of an energy source?

This brings me back to the logical and indisputable position taken by our party, and taken by the premier of Saskatchewan, that the only possible justification for any further increase in the price of old oil—the present national production—would be if the money were to be used only for exploration and development of oil and gas or other energy resources. In fact the premier of Saskatchewan in his submission did not just talk about oil and gas. He mentioned hydro electric power, which should make people in Nova Scotia happy when they keep proposing the Fundy project, or Manitoba or other provinces which really want to get into hydro electric development and other sources for developing electric energy, a lot of which will have to take the place of heating fuels in the years ahead. Extra money could be used now for other energy sources besides oil and gas.

The record of performance of the private sector has been good in its terms, but it has not been good in the long term for our country. I do not say the private sector was deliberately trying to hurt our country, not one bit. I do not blame them. Their objective was to make a profit, and this they did. They did very well at it. I might complain about it, but I do not blame them for it. That was their purpose.

[Mr. Benjamin.]

They were there to make all the bucks they could—the multinationals—and they did very well at it. But the suggestion now, from here on in, that we have to rely on them to save us, is just nonsense. We just do not need them any more. We can do it ourselves.

I suppose it would be way too much to expect that hon. members across the way would agree to doing this in the most sensible way—that it all be done through public ownership, public enterprise. I guess that would be too much to expect. But even a mix of private and public Canadian enterprise is something we could do. There is no reason in the world why we could not. We can send Imperial Oil back to their bosses at Exxon, and we can send Gulf and Texaco and the rest of them home. There would be no problem. They have done well already. I do not see why they should need to do any better.

When the hon. member for Qu'Appelle-Moose Mountain talked earlier about Alberta and Saskatchewan being able to steal, saying they can't reach an agreement but they can steal, I do not want to misquote him, but that is the way I understood him, I ask, who's been stealing from us? The very companies that have progressively reduced their research and exploration in both Alberta and Saskatchewan have continued to take larger and larger profits out of those two places.

Imperial Oil got $105 million in 1970, and then went up to $136 million in 1971—that is a 29 per cent increase. That is even better than the average runway sweeper got. In 1972 they went to $157 million, which was only a 15 per cent increase over 1971. In 1973 they rose to $228 million, a 45 per cent increase. That is when the exploration activities, whether by way of feet drilled or dollars spent, started to diminish. Their take home pay, if I may use a colloquial expression, went up by 45 per cent. Then in 1974 they jumped from $228 million to $290 million, a 27 per cent increase, yet what they spent on exploration went down even further.

● (2130)

They are now asking us for more money to explore and drill. If Canada wants its energy resources developed further, we need more dollars per barrel of oil, says Imperial Oil. I say no to Imperial Oil. In view of the record of what they have done, or perhaps what they have failed to do, in the last two years they have lost any right to expect or to ask for a further increase in the price of oil for their own benefit. This is especially so when they can give no assurance that they will spend any such increase on research and exploration in Canada, let alone in Alberta and Saskatchewan.

If the minister does not want to use Petro-Can or SaskOil, or some other Crown corporation, but insists on letting the multinationals have a piece of the action, why does he not put more teeth in his legislation and give the oil companies two choices in regard to exploration and development—that this is either compulsory or that they have to do it? If he would put that provision in the legislation he would get even stronger support for the bill from our party.

I do not question the minister's concern. He is responsible for the whole area of energy supply in Canada and I know he is making a conscientious effort to bring in

legislation and policies to try to alleviate this concern and provide more protection for the country in years ahead. But we are of the view that the minister is only going part of the way, that these half measures will not in fact accomplish the results that he and all of us want. They will not accomplish those results unless he opts to strengthen the legislation or opts for public development of future oil and gas reserves.

Saskatchewan would like to do this itself in regard to the oil fields that we know we have. This would eliminate an expensive form of development. We even have a small corner of the tar sands in Saskatchewan up in the Cold Lake area. But we have much more research and development to do in the handling of heavy crudes. We could refine our own heavy crude in Saskatchewan, but we are up to our eyeballs in asphalt, and what do we do with the asphalt? One kind westerner suggested that we should pave over Toronto and fill it full of wheat.

Saskatchewan would like to spend its oil profits on doing these things, but the Minister of Finance says that the deal is off for now. Two thirds of the money is put into the capital fund and will be counted against Saskatchewan for equalization purposes. This is going to cost Saskatchewan another $30 million to $40 million in equalization payments. We gave up $400 million by agreeing not to demand or try to get the world price, and I say $400 million is a fair contribution. Alberta has contributed three or four times that amount.

I also have the feeling that, even though the minister is a free enterpriser, his biggest problem is Alberta and the premier thereof. An agreement would have been much more readily reached had the federal government and the provinces been reasonably certain that there would not have been a lot of windfall money land in the tills of the big seven multinationals. The government knows that there is no way that the people of Canada will stand for that nonsense any more.

If my hon. friends of the Conservative party of Ontario could persuade their Conservative party friends of Alberta to do something more in a public way in regard to the future development of energy resources, and to make sure there would not be some more windfall rake-off, much of which would leave this country, then the chances of reaching an agreement between the federal government and the provinces would be much enhanced.

I suspect that the problems of the Minister of Energy, Mines and Resources are much less with Premier Blakeney. It may well be that in his heart of hearts he would have liked to agree with the premier's proposal, lock, stock and barrel. He did say that there was a lot to be said for the proposal, that it was worthy of serious consideration, but that he could not buy the whole package. I suspect this is because of the free enterprise syndrome that still exists in the cabinet, and in some members of his party and of the Conservative party.

The one concrete proposal that made sure that the Canadian people would be given some assurance of energy supply, particularly of oil and gas, in decades ahead came from a producing province that is still looked upon as a have not province, and which has also led the way in forgoing revenue to which it was entitled. Even if I had a nightmare I would have a great deal of difficulty visualizing the province of Ontario willingly giving up as much as Alberta has Mr. Chairman. If the issue here were nickel, or iron ore, or steel, I can just see the hon. member for Grenville-Carleton rushing into this House of Commons and saying: "We want to forgo $1.5 billion a year on this development for the benefit of Canada". I would really like to see him do that. I did not hear anyone from this part of the country suggest, when the western provinces willingly went along with paying higher prices themselves, that they should pay an economic price.

This brings me to another point. We have two prices for oil and two prices for wheat. I find that very strange. I wish that someone from Ontario, Quebec or the Atlantic provinces would suggest two prices for forest products, or fertilizer, or farm machinery, or steel, or asbestos, or nickel. But, no, I hear no such suggestion. Why two prices just for oil and wheat?

My hon. friends to my right often talk of western alienation. They talk of it in different terms and for different reasons than I. They express the attitude of people who think it is their turn to get their hand in the till. They want to take the money and to hell with the rest of the country. We have put up with that sort of nonsense for too long as it is.

The Minister of Energy, Mines and Resources might remind his colleague, the Minister of State for Urban Affairs, about how much he would be able to lower the price of housing if there were a two price system for forest and lumber products. People pay hundreds of dollars per thousand feet of lumber to build a home. This has nothing to do with cost of production; this is the price of lumber on the international market. Builders and home buyers are forced to pay the international price, which is exorbitant and outrageous. But I hear no one talking about a two price system for forest products. I ask, why not?

I say that Saskatchewan has made its contribution. It has more than shown its willingness to co-operate and to reach agreement. Having reached agreement, the agreement was then thrown out the window. In carrying on his bilateral discussions I ask the minister to reassure the people of Saskatchewan in particular—and I wish the minister lots of luck when dealing with the government of Alberta—that anything agreed to from here on in will be lived up to. Forget all this nonsense about taxing not only oil companies' profits but oil companies' expenses; even I as a socialist find that difficult to live with. I am not known to have a great deal of love for multinational oil companies, but no matter what kind they are and how they operate you should still treat them fairly.

● (2140)

To continue to perpetuate or support the legislation which taxes not only their profits but their expenses, namely, the royalties they pay to the provinces, has to be an example of bad faith. If the minister would like more readiness to agree on the part of the provinces he should persuade the Minister of Finance to get rid of the prohibition on deductibility of royalties as an expense. That must go along with any increase in oil prices. That is a must. One must assume that the deductibility of royalties from the expenses of the oil companies for tax purposes will be allowed if that money is to be available for exploration

and development in respect of oil, gas, and other energy resources in this country.

Let me close by repeating a statement by the Premier of Saskatchewan at the first ministers' conference. I know the Minister of Energy, Mines and Resources heard it, but I wish to refresh his memory. It is time for Canada and the provinces on behalf of their people to take charge of the development and exploration in respect of energy resources, oil, gas, hydro-electricity and so on.

We can no longer depend on others. If ever we could depend on them we certainly cannot now. We can no longer continue our supine acquiescence to the board rooms of the multinational corporations in Houston, Chicago or New York. When will we stand on our own feet? We have the people, the money, the technology and the resources. Why do we not do it? We can. It will take some will and imagination. It will excite the imagination of the Canadian people. It will be for the benefit of all the people in the country, and there will not be any fast-buck artists running around with 19th century ideologies making all the fast bucks they can, and then running. We can put an end to that.

The minister has a golden opportunity to make these moves. He, in concert with three or four provinces, whether they are of the same or opposite political stripe, can get together now and really have wells drilled around this country to an extent that would make it look like a Swiss cheese. We could be engaged in development that would make 1947 look like a bare beginning. We have the opportunity, and it is up to the minister and the government to seize that opportunity.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I think it must be obvious to the House that the time has come when we must face reality in respect of this bill. The position of Her Majesty's Official Opposition has been made abundantly clear, namely, that we believe the government needs some form of a bill in order to carry out the agreement of March 27, 1974, in connection with achieving one price across Canada.

We believe this bill is necessary to provide compensation for those parts of Canada which must buy their oil offshore. However, on the bringing in of such legislation we have put forward, over and over again, the proposition that it should be a bill that will stand the test of the constitution and of the courts of this land. This bill will not stand the test of the courts of this land. The evidence to this effect is preponderant. Therefore we will be proposing a dozen amendments in an effort to improve this bill and to save it from the courts if it should be challenged.

The second point I wish to make is that no bill passed by this parliament in the interests of democracy, as we understand it, should give perpetual power to a government to the extent this bill gives power to the government. So our amendments will be moved in an effort to give assurance to the people that, even though we want to give the government the power to carry out the decisions of this parliament in relation to doing these things to which all parties agree, we do not want to destroy the type of constitution and rule of law we have.

I said yesterday that no consensus will be arrived at under the early clauses of this bill on the question of the

price of oil, natural gas, or synthetic oil until the irrational and asinine budget of May and November is departed from. The retreat of Napoleon Bonaparte from Moscow will be nothing compared to the retreat the Minister of Finance will have to make on this silly budget of 1974. I notice that the hon. member for Regina-Lake Centre has left the House. I know he is a serious student of *Hansard* and will read my remarks tomorrow.

In my remarks yesterday I put into layman's language the legal decisions dealing with the question of who owns these resources. I put into layman's language the decision of the courts of this land on the question of who can do what to whom with regard to taxes. All the jurisprudence says that under the constitution these resources belong to the provinces, and that the only level of government that has the right to tax these resources 100 per cent and take it all legally are the provincial governments of this country. Therefore, to translate this into layman's language, I said that the only governments that have the legal right to steal everything, whether they be civil rights, property rights or resource rights, are the provincial governments. I do not think any person can quarrel with this. That is the reason I referred to this as a silly budget that was passed in this House last November. It was an attempt to get the federal government in the same field where it would have the right to steal some of the resources belonging to the provinces.

We know that the Minister of Finance will have to retreat in respect of his budget and make some sort of arrangement with the provinces, and say that they will have the power to make these various royalties and taxes deductible up to a certain amount because, with everybody stealing so much, there will not be enough to keep things going.

I was amused by the remarks of the hon. member for Regina-Lake Centre because he must have known that some of us remember the oil play we had in Saskatchewan around 1950. The premier of the province at that time wrote to all the oil companies asking them to come to Saskatchewan. He said that so long as he was premier they would not be taken over.

You never saw such a free enterpriser as the premier of Saskatchewan in 1950. Now he can sit here and smile as one of the newcomers in the House speaks about what a great socialist he is. All I can say to the hon. member for Regina-Lake Centre is that he should make that speech to the steel workers of Hamilton. I will not deal with past records, although we know the provincial government of Alberta, ever since 1946, and the provincial government of Saskatchewan, the provincial government of Manitoba and the provincial government of British Columbia tried Canadian enterprise and turned over their resources of oil and gas completely to the international oil companies. They did that with amended types of regulations which they borrowed completely, word for word, from United States regulations.

● (2150)

The history of the betrayal by provincial governments of the people of those provinces is not what we are discussing here tonight. What we are discussing is what kind of government we are going to have in this country; will it

be one that is a strong central government and yet allows the provinces a certain place in the spectrum? This is the position of Her Majesty's Official Opposition and, I suggest, should be the position of every party in the House. The federal system we have is a unique central system of government. The federal system will not work if the central government, in the name of being efficient or strong, imposes on the rights and property of the provinces, and by provinces I mean the people of the provinces.

We have made our case as well as we know how. What we have to do now is to take this legislation step by step and do our level best to convince the government of the correctness of our approach. We cannot convince the NDP because they honestly and sincerely believe that the provinces should have no power and that they should become like municipalities. They want all the power at the centre. That is their philosophy, and they have a right to it. The Parti Quebecois has the right to call for separatism, as much as they have to call for all power to be at the centre. It is very clear how the NDP will stand, but it must be equally clear how we stand on our side of the House, and every person in the House must answer to the people of Canada.

I should like to remind the minister that there was a man who sat on his side of the House during the war and who received from the parliament in the crisis of those days the War Measures Act, and the War Supplies Act, which gave him all the powers that he needed to fight the war of 1939-1945. After the war was over, the War Measures Act was revoked.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Until 1970.

Mr. Hamilton (Qu'Appelle-Moose Mountain): But he kept the other act, and it was not until 1955 when he came to the well once too often, and asked parliament for the right to continue using the special powers under the War Supplies Act at a time when the war had been over for ten years, that the opposition of the day fought to take away that power. The government heeded that advice and sent Mr. Howe on a holiday. The next year its ministers forgot themselves again and tried to impose something on this country in the pipeline debate. Canadians knew what the issue was and in 1957 threw out the government which had been in power for 22 years.

The same thing will happen to this government. Canadians are very sensitive to an attempt by a government to take too much power into its hands. We are willing to give this power to the government in the case of an emergency and for a certain length of time, but every so often this legislation should be brought back to the House to see whether we will need it, because the day will come when the oil will be pouring out of the wells off the coast of Nova Scotia and off the coast of Labrador.

The day will come when oil will be pouring out in our northern frontier areas, from secondary and tertiary recovery in the prairies, and when other forms of energy will be pouring through the pipelines and over the hydro system, and this whole question of emergency will then disappear. This bill should not become an act which forever hangs like a weight around the necks of Canadians.

Our amendments to the bill, which we will put forward tomorrow and as the debate rolls on, will all be aimed at trying to keep this bill within the walls of the constitutional framework that has protected and guided this country for over 100 years. We will try to persuade the government to look hard at some of these proposals which deal with some of the evils of the legislation which have not yet been mentioned in this debate, and which could more properly be dealt with when consideration is given to the clauses of the bill as they come up for debate.

I should like to suggest that we have said all we can say many times over, and it is up to the government now to make the decisions that have to be made, whether or not we produce a good bill. I think that is the issue before us tonight.

I would like to close now to allow us some time, if the House is willing to pass clause 2, and to get on with the business of passing the bill.

The Chairman: Shall clause 2 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 3—*Binding on Her Majesty.*

Mr. Baldwin: Mr. Chairman, we have an amendment to clause 3. In view of the lateness of the hour and the interesting and excellent debate we have had, perhaps your Honour might see fit to call it ten o'clock.

Mr. Macdonald (Rosedale): Perhaps we could hear the amendment first.

Mr. Baldwin: My colleague, the hon. member for Qu'Appelle-Moose Mountain, might produce his amendment so the minister can reflect on it for the next two days.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Before the hon. member for Qu'Appelle-Moose Mountain does that, may I point out that he has mentioned that members of the official opposition have some 18 amendments. I think it would be helpful, before we meet again, if we could get copies of them. The government has already given us copies of its amendments, and if we could get copies of the hon. members' amendments, not necessarily now but sometime tomorrow or before the bill comes up again, I think we will be able to concentrate more on the clauses and thus avoid general discussion.

Mr. Baldwin: It is a very good idea, and we will attempt to do that. We have been under the mistaken impression that the minister would see the light of reason and accept them, but that not being the case we will try to provide copies as soon as we can.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, may I point out that I did submit copies of this amendment to the House last year. I will be glad to do it again in case they have been lost.

The Chairman: It being ten o'clock, it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House. Hon. members by

then will have received advance copies of the amendment which can be considered at the next sitting.

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, before you call the adjournment motion, I wonder if the Parliamentary Secretary to the President of the Privy Council, or some cabinet minister of equal authority, would indicate what the business is for tomorrow.

Of course my authority is not equivalent, but I was advised through the usual channels that we will be proceeding with the bill on the Northern Canada Power Commission, Bill C-30, and Bill C-19. Unless I hear to the contrary, I will assume that that will be the business for tomorrow.

Mr. Knowles (Winnipeg North Centre): I have the same information, so it must be correct.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

HEALTH—POSSIBILITY OF PROVINCES SHARING COST OF CHRONIC CARE HOSPITALS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on January 28 I asked the Minister of National Health and Welfare (Mr. Lalonde) if he was considering sharing the cost of programs with the provinces which are now left out and which the provinces carry on their own, and which are an integral part of the health care cost field. I have always felt that the minister was a very humane person with a very sympathetic understanding of the health care field. This has prompted me to urge him further to enter those fields of health care in which the federal government is not now participating.

The provinces are finding it increasingly difficult to meet those costs, and whether one is actively sick or chronically ill, care is still necessary. In the last meeting with the provinces the minister agreed to discuss and accept participation in lower cost areas if restraint could be practised in higher cost areas. I hope that this will be arranged.

It is true that active treatment costs might be cut by sending a patient to convalescent care a day or two sooner, or by sending him to his home and providing someone to give the necessary care. How do you remedy this situation and arrange for that further care outside active treatment for these patients? Let us be quite honest about this at the start when there is talk about active treatment beds and increasing costs.

[The Chairman.]

Indeed, if the active treatment beds were not occupied, it would mean there would be no doctor or nursing case required. But the cost would go down by only 20 per cent on hospital care. It follows then that it is a losing proposition to the taxpayer to have a hospital bed empty because the hospital staff and administration and upkeep costs continue. Thus the maximum use will likely be made of every bed in an active treatment hospital.

When a patient is ready to be transferred to chronic care or convalescent care, there is often no bed to which the patient can go. If the patient is sent home, there is often no one or no system to provide the proper care or attention required. Probably only a minimal amount of nursing care is required, but it is required around the clock. This should be a shared cost.

While home care at present does help, it does not meet the necessary requirements in the patient's own home. An eight hour shift does not meet the patient's needs for 24 hours. Yet it would be much cheaper to provide that care than to keep the patient in an active treatment bed in hospital.

When the patient is ready to go to a chronic care nursing home where the bed costs are approximately half that of an active treatment bed, we find that he or she has to spend weeks waiting for a bed in a chronic care nursing home. Over and over again I have heard that there are many chronic care beds in my constituency, but I have found that for periods of ten days or longer a patient often cannot get into one of these institutions.

In a chronic care nursing home the cost is $18.50 per day—this was increased from $17 on April 1, 1975—which leaves the patient paying $5.90 per day unless he is under the age of 16 years. This is a saving, on the average, of approximately $60 plus per day when compared with an active treatment bed, or $20 per day in a chronic care bed in hospital.

Nursing homes have the same economic pressures and labour costs as do hospitals, yet the government allows nursing care from one and a half to two and a half hours, and the patient load is eight to ten per attendant. For a patient who is chronically ill, this is probably more than an attendant can look after properly.

It would seem to me that we need to fund nursing homes or give incentives to allow them to make more beds available. This would relieve the situation and cut the costs of chronic care units by at least 50 per cent, and of transfer from an active treatment bed to a chronic care bed from around $80 to $18.50 per day. Obviously the place where the federal government can share cost to the greatest advantage and get the best value for its tax dollar is the nursing home.

I bring this to the attention of the minister in the hope that rising health costs will be met by efficiency in treatment and, with an aging population which is so often found in the nursing home, to carry it further by stating that all residential homes should carry 5 per cent of their beds as chronic care beds so that old people may be treated there for minor illnesses. This would not only be a financial saving but would be humane for the older person.

To summarize, Mr. Speaker, nursing care homes should be a shared health care cost. Home care costs, where

feasible, should be a shared health care cost around the clock where necessary until the patient has a reasonable recovery time. All homes for the elderly should have sick bay units where those not needing full time hospitalization, or having minor illnesses, could be treated at the home as a shared health cost thus avoiding the trauma and expense of moving, and the expense of an active treatment bed.

The health resources program should establish a chair of geriatric medicine in all medical schools. This should be a demand program to meet the needs of the rapidly increasing elderly population with diseases peculiar to their age group. We have today only 26 or 27 geriatricians in the whole of Canada. This is a grossly neglected area when you think that at the other end of the scale there are around 1,000 pediatricians.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the federal government is well aware of the matter raised by the hon. member for Simcoe North (Mr. Rynard). In fact discussions began on this matter four years ago at the health ministers' conference held in November, 1970, at which time support was expressed for a re-examination of existing arrangements for health financing with the aim of developing an alternative to them. The stated objective was to encourage a rational, efficient and flexible reorganization of the health delivery system to increase effectiveness and reduce waste of costly resources.

Following nearly two and a half years of discussions and negotiation, the formal federal offer on health financing was placed before provincial governments at the federal-provincial conference of finance and health ministers in May, 1973, and was considered further at the first ministers' conference on May 25, 1973. The offer included a formula for grant payments related to GNP growth and a $640 million trust fund; it was designed to provide a reasonable rate of growth in the basic federal payments, a degree of risk-sharing, flexibility for the provinces to determine their own priorities, and assistance in the development of more effective and efficient systems of health delivery.

An important condition attached to the offer was that existing national standards of comprehensiveness, accessibility, universality and portability were to be retained with respect to the basic hospital and medical services. The federal offer also made it clear that the sharing of costs of major new health programs, such as denticare or pharmacare, would be a subject of separate discussion, if and when a consensus was developed by the provinces.

Following this conference, the provincial premiers met in August, 1973, and requested their ministers of health to develop a common provincial response to the federal proposal. It was more than a year later, at a meeting last September 25, that they produced a resolution which rejected the federal offer and outlined their position on new health financing arrangements. Of considerable significance in this resolution was the statement by the provinces that they were prepared to negotiate changes in cost-sharing of high-cost services in exchange for federal sharing in programs not now supported.

At the conference of ministers of health in January of this year the minister advised the provincial ministers that the federal offer of a per capita grant had now been withdrawn. There followed a discussion of various proposals, including a specific proposal put forward by the government of Quebec. In the light of the discussion the minister then suggested a new approach based on the expressed willingness of the provinces to restrain the growth of high cost services in return for federal sharing in other areas not now supported. This proposal involves a broader interpretation of existing legislation which could permit additional cost-sharing.

The ministers agreed with the proposed approach and directed their deputy ministers to undertake immediately negotiations aimed at improving cost effectiveness and comprehensiveness of health care delivery systems, within the context of present legislative authority. The objective will be improvement in health care planning and development through a more flexible approach to financing, with continued emphasis on provincial priorities. The negotiations will entail identification of measures to restrain the growth of high cost services that provinces would be prepared to adopt in order to permit extension of federal sharing to equally effective but lower cost alternatives. Deputy ministers were asked to submit their recommendations no later than September 15 of this year.

EXTERNAL AFFAIRS—GOVERNMENT POSITION ON PERMITTING ENTRY OF VALENTYN MOROZ AND FAMILY AS LANDED IMMIGRANTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on February 13 I attempted to move the following motion:

> That the Prime Minister and the government of Canada convey to the government of the USSR the feeling of the people of Canada that they are willing to permit entry into Canada of Valentyn Moroz and his family as landed immigrants.

I did not get the unanimous consent that is required to debate the motion. During the question period I therefore asked the minister whether he would give consideration to this proposal. The minister replied that he would examine the question and give it consideration.

● (2210)

I then asked the minister if he would arrange for representatives of the Canadian government in the Soviet Union to ascertain the state of health of Valentyn Moroz. I did this because of information which has come to light that Moroz, while in prison, has been beaten and stabbed, that he is now in poor health and in the middle of a hunger strike. The minister suggested he would not do as I asked. He said, as recorded on page 3181 of *Hansard* for February 13, 1975:

> ... I have not agreed to such a move as in the circumstances I think it would very likely be counterproductive.

Valentyn Moroz was born in the Ukraine, which is part of the Soviet Socialist Republic. He attended the University of Lviv, where he majored in history. After graduation he taught history and geography. In 1965, he was arrested, charged with anti-Soviet propaganda and agitation, and sentenced to four years of hard labour.

In 1970, he was again arrested, tried, and sentenced to a long prison term. While in prison he has been beaten, stabbed, and, as I say, he is now in the midst of a hunger strike.

In November, 1972, Amnesty International, known for its non-partisan, non-political work on behalf of prisoners in every country who are being persecuted by a government, reported that Moroz had been gravely wounded by some criminal inmates in the prison in which he was incarcerated. After that he was transported to a prison hospital in Kiev.

In May, 1974, many of our most prominent Canadian authors and academics made an appeal on behalf of Valentyn Moroz in the Soviet Union. Among their numbers are included Pierre Berton, June Callwood, Professor Crowe of York University, Professor Eayrs of the University of Toronto, Northrop Frye, of that same university, Professor Gerald LeDain, who headed the commission study on drugs on behalf of the Government of Canada, Peyton Lyon, a professor at Carleton University, and many others. They all addressed an open appeal to the authorities of the Soviet Union.

As I say, since his imprisonment Moroz has been beaten, stabbed and confined with the criminally insane. Reports since January, 1974, indicate that he is confined to an isolation cell, where he is being pressured to recant. He is in extremely poor physical and mental condition, and concerned circles in the Soviet Union have expressed fears that he may not survive present treatment. The recently expelled dissident, Pavel Litvinov, has stated that Moroz will begin a hunger strike until death on the fourth anniversary of his arrest if his conditions are not changed.

People have appealed to the Soviet authorities to permit Moroz to leave prison. The minister said, when replying to my question, that my proposal would be counterproductive. That opinion might have been valid during the years when Stalin ruled Soviet Russia. But the Soviets have changed. They react to international public opinion. Solzhenitsyn was expelled, not imprisoned. Rostropovich was relieved of his passport after he left Russia, as was Medved. Pavel Litvinov, grandson of Maxim Litvinov, was permitted to leave. Thousands of Soviet Jews have been permitted to leave. Most have gone to Israel, but many are in Canada.

I make two proposals. First, I suggest that the government should tell the Soviet authorities that if Moroz's views are such that he cannot be permitted to live in freedom in that country, this country would welcome him and his family. Canada has already become known to hundreds of thousands of Ukranians. Second, the government should ask Soviet authorities to permit representatives of this country to visit Moroz in prison so that those who are concerned about his well-being, his health, can be assured that his health has not been broken, as he and his family allege, but that, indeed, he is well physically, mentally and emotionally, as Soviet authorities claim. I urge the government to act along the lines I suggested.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, Canadians have actively taken up the cause of Mr. Moroz with a view to improving his living conditions in prison and ensuring that his state of health is good. They have also called for his release from prison and have supported the idea of his emigration from the Soviet Union, possibly even to Canada, although we have no evidence that Mr. Moroz himself desires this.

[Mr. Orlikow.]

The government has taken a keen interest in questions relating to human rights wherever they arise. That said, however, the government is faced with a number of considerations that must be taken into account in deciding what role it might be able to play. As the representative of the people of Canada, it is turned to by Canadians to make representations for them to the Soviet authorities on Mr. Moroz's behalf. On the other hand, its possibilities for action on behalf of the nationals of other countries are limited by international considerations. The Canadian government respects the right of other governments to run the internal affairs of their countries, just as it expects other governments to respect its right to do so. This is a fundamental principle of international law and diplomatic relations among nations.

It is, of course, possible for the Canadian government to express the concern of its citizens over violations of human rights, and it has done so frequently. However, if Canada is to have any influence on the course of events in the Soviet Union, or anywhere else, we have to take a hard look at the effect that acting on the various possibilities open to us would have. If our voice is to be listened to on such matters, it will be only if the Soviet government respects our intentions and motives.

A slamming of the door is what would happen if the Government of Canada went beyond the bounds of what is regarded as acceptable in dealings between nations. When I see that, as a result of the quality of the relations that we and others have developed with the USSR, several thousand more Jews have emigrated from there to Israel, and several hundred more Soviet citizens have been able to join their families in Canada and elsewhere, I am anxious that there should be no slamming of doors.

To return to the specific question of Mr. Moroz, the Canadian government and Canadian officials have raised this case with the Soviet authorities a number of times in light of the humanitarian considerations involved and as a reflection of the concern of Canadians. As far back as 1971 the Prime Minister (Mr. Trudeau) took the opportunity of Soviet Premier Kosygin's visit to Ottawa to speak to him about this case. In September the Secretary of State for External Affairs (Mr. MacEachen) spoke to Foreign Minister Gromyko in New York in view of the reports of Mr. Moroz's deteriorating health. He assured him then that Mr. Moroz's health was satisfactory in all respects. Later reports that came to our attention on this subject were disquieting and further inquiries were made of the Soviet Ambassador in November. The ambassador assured us that the information received from Mr. Gromyko remained valid.

There have been suggestions that the government should seek his release from prison, or otherwise take a position on the merits of his case. Quite apart from the impropriety of making such approaches to the Soviet government on behalf of a non-Canadian, we believe that adopting such a course would require information on the case to which the Canadian government does not have

access, nor any claim to access. We simply do not have a right to call for information on which to base a judgment of the merits of such cases.

EXTERNAL AFFAIRS—DISCUSSIONS WITH UNITED STATES CONCERNING TRANSPORTATION OF ALASKAN OIL ACROSS CANADA

Mr. John A. Fraser (Vancouver South): Mr. Speaker, as some hon. members know, as long ago as 1971 the government of the day under the Prime Minister (Mr. Trudeau) made a definite decision to discourage any oil pipeline from Alaska southerly along the Mackenzie valley and then southerly across Canada to the United States. This, of course, caused a great deal of debate, especially with regard to the fears raised by those in British Columbia who understandably were and still are concerned with the problems posed by tankers bringing Alaskan oil down the west coast of British Columbia through the narrow Straits of Juan de Fuca to refineries in the State of Washington. That concern, as I said, still exists.

In October of 1974, the then U.S. ambassador-at-large, William Eberle, was in Canada for several days. He made comments which clearly indicated that the United States was looking to the development of sources of oil for petroleum in the State of Alaska other than in the Prudhoe Bay area.

● (2220)

In the remarks the minister made it became obvious that it might very well be United States policy to ship that Alaskan oil out by means of a cross-Canada oil line down the Mackenzie to the continental United States. On October 10, 1974, I asked the Secretary of State for External Affairs (Mr. MacEachen) whether he knew that discussions had taken place between United States officials and the Minister of Energy, Mines and Resources (Mr. Macdonald) concerning this particular proposal.

I also asked whether it was Canada's intention to use the desire of the United States to establish an oil pipe line across Canada as a lever in negotiations to persuade the Americans to take the tankers out of the Strait of Juan de Fuca. The Secretary of State was non-commital in his answer, but he did not deny that such discussions had taken place, and recently there has been increasing speculation that American policy is looking to a trans-Canada pipe line route.

Today, my colleague, the hon. member for Moose Jaw (Mr. Neil), was able to put a question to the Minister of Energy, Mines and Resources on this very point. The minister answered by saying that no specific proposal had been put forward by the United States in respect to an oil pipe line but that extensive discussions had taken place between Canadian and United States officials with respect to a pipe line treaty which would govern the construction of any pipe line, either in Canada or the United States.

My question is specific, and in all the circumstances it requires a clear answer. Have any discussions gone on, or are any discussions going on, between Canada and the United States relating to an oil pipe line from Alaska through the Mackenzie Valley, and south from Canada to the United States? If not, have the Americans asked for any such discussions to take place, and what has been the Canadian response? Further, I would ask whether it is within the knowledge of the Canadian government that it is United States policy to negotiate with Canada with respect to arrangements which would enable Alaskan oil to be carried by oil pipe line across Canada to the United States?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the government position of strong opposition to the movement of oil in large tankers into the Puget Sound area has long been made clear. This position was made known to the United States administration at an early stage, and the Canadian government proposed that Canada and the United States explore together the possibility of alternate supply routes for the Pacific Northwest area of the United States. The United States agreed, and this course of action has been actively pursued, notably at meetings in Ottawa and Washington in August, 1974 and February, 1975.

In addition we are discussing with the United States such matters as vessel traffic management, environmental control, contingency planning and liability arrangements with a view to minimizing the possibility of oil spills and providing for clean-ups should they occur. These arrangements will have considerable value in themselves whether or not increased tanker traffic develops in these waters.

In the short term, a pipe line through Canada to carry Alaskan oil to market would not be feasible as an alternative to the Alyeska line.

In the longer term it is conceivable that sufficient oil might be available in the Arctic to justify a second pipe line which could transport both Canadian and Alaskan arctic oil. However, the necessary reserves have not been discovered. In addition, a number of factors would be involved in a decision to build such a pipe line. Having regard to the complexity of this question it would be premature to make any concrete assessment of this possibility at the present stage.

The hon. member asked me two specific questions this evening, one of which I do not think I have dealt with, but I will check into it and see that he gets the information.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, April 16, 1975

The House met at 2 p.m.

ORAL QUESTION PERIOD

[*Translation*]

AGRICULTURE

EFFECT OF LONGSHOREMEN'S STRIKE ON FEED GRAIN SUPPLIES—GOVERNMENT ACTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Agriculture.

In view of increasing difficulties for Quebec producers, and since I have received this morning a telegram from the Poultry Producers Federation which, considering those difficulties, asks for concrete and immediate action from the government since reserves will be depleted during the next 24 hours, what is the present situation in that field in the province of Quebec, and has the government taken a decision to bring things back to normal in Quebec ports?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as we said yesterday, grain is moving. Many things are being said about the shortages of grain and when it will run out. I was expecting an updated report, which I had expected to receive at noon. The report I received this morning was that there was grain still moving from Quebec City and from Prescott by both truck and rail car into the areas most in need. We are watching it very closely and having constant meetings and discussions with the people concerned and doing everything humanly possible under the circumstances to make sure that there is no loss of livestock or poultry.

[*Translation*]

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

Since the minister said this week that the producers could get supplies in Montreal harbour, thus inviting Quebec City and Trois-Rivières producers to get their supplies in Montreal, and since the grain elevators are completely empty in Quebec City and Trois-Rivières, where there is no possible access for producers, is the minister prepared to take emergency measures, which, I believe, would meet the needs of the producers?

[*English*]

Mr. Whelan: The latest report I received was at nine o'clock this morning, but the elevators were loading trucks with no interference at Quebec City. Several boat loads are on the way to mills in the area. Feed mills in Quebec City are back to normal operation since grain is available in the Quebec City terminals. All of these mills have had their grain trucked from Montreal and other sources last week and are doing the same thing this week to make sure supplies are adequate. In Montreal, there were only a few trucks able to move through the area this morning. I believe there were four trucks, which amounts to nothing, in view of the need, I realize that, but they are moving steadily from Prescott elevators, and that will account for approximately a million bushels.

[*Translation*]

Mr. La Salle: Mr. Speaker, I should like to ask a last supplementary.

The minister having suggested supplies may be available in Montreal, is he aware that producers in Trois-Rivières who go to Montreal for instance, cannot get the supplies they need since the Montreal and Quebec City ports are first meeting the demand of their customers, thus depriving the Trois-Rivières area of sufficient supply?

[*English*]

Mr. Whelan: Yes, Mr. Speaker, we are aware of that, and we are trying to make sure that car loadings from other sources in central Ontario or Thunder Bay, are moved into that area. I understand that there is some movement into that area at the present time, but I do not know how great it is. I had hoped to have an up-to-date report in that regard as of one o'clock but I do not as yet have that report.

Mr. John A. Fraser (Vancouver South): The minister has just said that he has no up-to-date report on whether the feed grains are moving in from areas other than Quebec City, Montreal or Trois-Rivières. The information we have this morning is that the farm producers in a substantial part of the province of Quebec will be unable to obtain the grain they need in the ensuing several days. This grain is needed to feed their poultry and livestock. Can the government assure us today that within the next few days there will not be a shortage resulting in the farmers having to kill or slaughter their livestock prematurely, against marketing conditions and against their normal plans? Surely, the answers the minister has given are only hopes—

Mr. Speaker: Order please.

Mr. Fraser: We need answers to the situation.

Mr. Whelan: Mr. Speaker, I am basing this on the fact that if there are no pickets at the elevators, and if there is an injunction that the pickets acknowledge and obey, for instance, at the port of Montreal, grain could be moving in an abundant supply by later this day. I say that because there is as yet no evidence that there is any livestock or poultry dying or starving as a result of this. Some may have to be cut back in the rations they are giving their

livestock. I heard the radio reports on that this morning, but we are in constant contact with the people using the grain and those who truck it, and I am saying that it has not reached that disastrous stage at this time. As long as the grain continues to move and the boats continue on their way to the area to supply them with grain to replenish the elevators being used, we foresee no great disaster. But if it does appear to be otherwise, I can assure the House that we will take drastic action.

Mr. Fraser: We know that there will be no grain coming into Quebec City until at least Saturday. We know they cannot get the grain out of Trois-Rivières. The minister says that the situation is being watched day by day. The fact is that Quebec producers may have to begin slaughtering their livestock and their poultry because they do not have grain. Can the minister advise us whether in fact the situation is under control or whether he only hopes it is going to be under control? What certainty can the government give us right now that the problem is under control because all the evidence is that it is not.

● (1410)

Mr. Whelan: Mr. Speaker, this is a free society—

Some hon. Members: Oh, oh!

Mr. Whelan: Mr. Speaker, they have certain rights that we have to acknowledge and other people have certain rights that they have to acknowledge. The elevators in Quebec do not have anyone on strike and the elevators in Montreal do not have anyone on strike. Those picketers are from the longshoremen who are picketing the elevators. They do not work there as far as that goes. Anyone who tells me there is not going to be grain in Quebec knows more about it than I do—

Some hon. Members: Hear, hear!

Mr. Whelan: —because my report says that grain is moving out of the Quebec elevators. My report says freighters are moving toward the elevators. My report says freighters are moving toward the elevators and they will be unloading and replenishing. There are three freighters on their way now. We do not know what elevators they will be going into but we know that the CNR and the CPR are pooling their resources. We know people are sharing the grain stocks they have. If anyone can show me this kind of thing that is being suggested he should do so because we have no evidence of severe loss or shortage of feed that would cause loss of livestock or poultry.

Some hon. Members: Hear, hear!

Mr. Speaker: A final supplementary, the hon. member for Vancouver South.

Mr. Fraser: Mr. Speaker, may I ask the hon. minister this specific question. Can he assure us that within the ensuing few days or a week there is not going to be a shortage of grain which will require Quebec producers to slaughter their poultry and livestock? If he cannot give us that assurance I can assure you that the Canadian public will wonder why these things are coming to pass in the absence of some action—

[Mr. Whelan.]

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the minister I wish to question is not here yet. Perhaps you would see one of my colleagues.

Mr. Speaker: The hon. member for Regina-Lake Centre.

Some hon. Members: Oh, oh!

* * *

GRAIN

MINISTER'S PROPOSED MEETINGS ON TRANSPORTATION—REQUEST FOR STATEMENT OF POLICY

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Justice in charge of the Canadian Wheat Board in view of the statement in this morning's press that he intends to hold a series of meetings in 11 centres in western Canada, as he says:

> ... for farmers, to clearly understand the precise nature of federal policies on transportation matters.

May I ask the minister if he would be good enough to announce those policies in this House before he leaves for that junket since we are unable to get them from the Minister of Transport?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the policies in question are in relation to the grain handling system and to the relevant part of the transportation system. They are policies which have been clearly indicated prior to now. The particular function of these meetings is, rather, to give accurate information to farmers compared to the rather inaccurate information which is given by the friends of the hon. member for Regina-Lake Centre.

PROPRIETY OF MINISTER DEALING WITH TRANSPORT RATHER THAN MINISTER OF TRANSPORT

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question for the Prime Minister. May I ask if he thinks it proper or if this is a cabinet decision that the Minister of Justice should be discussing not only grain handling but rail line abandonment and freight rates rather than the Minister of Transport fulfilling that responsibility, whether in western Canada or anywhere else?

Right Hon. P. E. Trudeau (Prime Minister): I can assure the hon. member that everything is under control, Mr. Speaker.

[*Translation*]

UNEMPLOYMENT INSURANCE

POSSIBILITY OF AMENDMENTS BEING INTRODUCED BEFORE JULY

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I put my question to the Minister of Manpower and Immigration.

In the last throne speech, it was mentioned that amendments would be brought to the Unemployment Insurance Act. In view of the bad service given to the public in northwestern Quebec and by several other unemployment offices in Canada, could the minister say whether he intends to change the act before July 1975?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker.

POSSIBILITY OF INCREASED DEMAND ON FUND—NOTIFICATION TO MINISTER CONCERNED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is directed to the Acting Minister of Finance. As the Finance Minister's recent no real growth projection for the Canadian economy in 1975 implies a considerably higher unemployment rate than that suffered now by Canadians, can the minister tell the House whether the Minister of Manpower and Immigration has been notified that he should expect a much greater drain of Unemployment Insurance Commission funds than would have been expected prior to the minister's new projections?

Hon. C. M. Drury (Minister of Science and Technology): Mr. Speaker, the projections for unemployment insurance benefit requirements are formulated basically by analysts of the Unemployment Insurance Commission and, instead of the government informing them what the projections are to be, it is the other way around.

POSSIBLE INADEQUACY OF ITEM IN MAIN ESTIMATES TO MEET INCREASE IN BENEFIT PAYMENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration who is responsible for the Unemployment Insurance Commission. Assuming that the minister is aware that even higher unemployment rates are to be expected in 1975 and that benefit payments are already up 27 per cent over those made in a comparable period last year, is the minister prepared to concede that the $864 million item in the main estimates for the government's contribution to the unemployment insurance account will be totally inadequate to cover the cash drain resulting from larger benefit pay-outs.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, far too many variables are involved to permit me to make a precise forecast and confirm the response the hon. member desires from me.

COMPUTER TRAP TO CATCH THOSE RECEIVING BENEFITS WHO ARE INELIGIBLE—SUGGESTED CONTINUANCE OF OPERATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration on a subject which does not involve any variables. It has been reported that a computer trap set up under a pilot scheme caught 1,000 people cheating when applying for unemployment insurance benefits. An official indicated that at least 50,000 people may be cheating.

Some hon. Members: Oh, oh!

Mr. Alexander: I heard the Minister of National Health and Welfare muttering over there. He had better stick to his old job.

Mr. Speaker: Order, please. The minister, probably, was referring to the rather extensive announcement I made on Monday, when I indicated to hon. members the desire that, to supplementaries, there should be absolutely no preamble.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, it was only four lines, hand-written. Does the minister confirm this figure and will he assure the House that he will put the pilot scheme into general operation, in order to catch the cheaters.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the commission is continuously seeking to protect the integrity of the Unemployment Insurance system. The use of computers combined with the improved record of employment process was introduced in January, 1974. The recent story which caught the hon. member's fancy—

Mr. Alexander: It is not fancy; it is fact.

Mr. Andras: —involves 1,000 people. The statistic which results from an examination of that particular location does not project the number of people involved elsewhere. I simply come back to the point that we are constantly improving our operation, in order to give better service and exercise better control.

Mr. Alexander: Where are the amendments to the act?

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—GOVERNMENT ACTION TO COUNTERACT DEFICIT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker—

Some hon. Members: Hear, hear!

An hon. Member: It's nice to see you back.

Mr. Lawrence: Mr. Speaker, it is nice to be missed. May I direct a question to the Minister of Industry, Trade and

Commerce concerning the auto pact. Bearing in mind the minister's statements to the House on Monday that a short-term solution to the auto pact trade deficit is unlikely, can the minister assure the House that his pessimism does not extend to the longer term prospects for the auto pact trade, particularly in light of predictions made by the president of the Automotive Parts Manufacturers Association to the effect that the deficit is likely to become even greater.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, that deficit will start diminishing rapidly as soon as the United States market returns to near normal conditions.

Mr. Lawrence: A supplementary question, Mr. Speaker. Am I to understand that the minister is assuring the House that once automotive sales in the United States improve, the deficit in Canada will begin to decrease?

Mr. Gillespie: Yes, Mr. Speaker. If the hon. member would look at the figures he would see that last year Canadian export sales to the United States increased. The reason we have the deficit is that our imports increased even more. Why? Because the Canadian economy was a lot stronger than the U.S. economy.

Mr. Baldwin: That does not quite tally with what the Minister of Finance said recently.

● (1420)

Mr. Lawrence: Having looked at the figures and realizing that Canada has endured more deficits than surpluses under the auto pact, is the minister now prepared or when will he be prepared to tell us what longer term programs his government proposes to make so that the automotive trade will be more advantageous to Canada than it is now or has been, according to his own department's statistics?

Mr. Gillespie: Mr. Speaker, I again remind the hon. member that it might be useful for him to review the figures on investment in Canada since the auto pact was introduced. He should look at the numbers with respect to employment increase in Canada compared with the employment increase in the United States. He will find that our performance has been considerably ahead of the United States. Notwithstanding the problems which the hon. member referred to in the parts industry market in the United States, my department has a number of programs under way aimed at trying to find new markets outside the United States for parts made by Canadian automobile parts manufacturers.

* * *

AGRICULTURE

DISPARITY BETWEEN FARM AND INDUSTRIAL INCOME—GOVERNMENT ACTION TO ACHIEVE EQUITY

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture. As the average farm income has consistently been lower than the average industrial composite, and in view of the minister's statement in London on April 11 that "no farmer will get rich from our stabilization plans or government policies", is it government policy that this disparity should continue?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, no farmer has asked me to develop a get-rich-quick plan. They have asked for a reasonable income with any plan we provide. That is what we intend to do.

Mr. Korchinski: Are there any plans to provide equity for all Canadians and at the same time improve the economic position of the farmer, in view of the minister's statement and the fact that the farm sector gets fewer subsidy dollars than most other sectors and that tariff protection is only half that of the non-agricultural sector?

Mr. Whelan: Mr. Speaker, the last part of the hon. member's question, that the agricultural sector gets less tariff protection than the industrial sector, is correct. It averages about 8 per cent whereas the industrial sector averages about 16 per cent protection on imports into Canada.

Mr. Korchinski: I know what I said. I want to know what the minister is going to do.

Mr. Whelan: Mr. Speaker, an awful lot depends on parliament, not just the Minister of Agriculture, as to how quickly we get the legislation passed in order that it will benefit the farmers of Canada. I might say the provinces are waiting for it, too.

* * *

UNEMPLOYMENT INSURANCE

SUGGESTION FISHERMEN BE MADE ELIGIBLE FOR BENEFITS—GOVERNMENT POSITION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the fact the government's promised income support policy for fishermen has been deferred and may be postponed indefinitely, will there be changes to the Unemployment Insurance Act to make it more applicable to fishermen because the existing act is of no use to fishermen, certainly in the Atlantic area?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, with regard to employed fishermen as contrasted to self-employed fishermen, we are examining the applicability and equitability of the act. I must confirm to the hon. member that this has to be done, and is in fact being done, in compatibility with discussions with my colleague, the Minister of State (Fisheries). When a program including the possibility of any change in unemployment insurance is decided upon, and this is not a foregone conclusion, it will be made known in the usual way.

FISHERIES

POSSIBILITY OF MAKING FISHERMEN ELIGIBLE FOR UNEMPLOYMENT INSURANCE IN VIEW OF DELAY IN INCOME SUPPORT PROGRAM

Mr. Walter C. Carter (St. John's West): In view of the fact this has been going on for four or five years, will the Minister of State (Fisheries) undertake to discuss this matter with his colleague as soon as possible? I ask this because the government's promised income support policy program will not be implemented in the foreseeable future.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I believe the hon. member has misrepresented what I said the other day. I said that I hope within the next couple of months to be able to present my program to my colleagues and have discussions with the fishermen's organizations. In no way am I backing down from my promise and decision that there will be some income support program for fishermen.

Mr. Carter: Will the minister assure the House and the fishermen of this country that the program referred to will be working by the conclusion of the forthcoming season, say by next fall?

Mr. LeBlanc (Westmorland-Kent): While agreeing with the hope that it will be in place by then, I will say this: we shall not bring a program forward before we and the fishermen are convinced that it is a visible improvement in terms of the stabilization of their income as compared with what exists now.

* * *

[*Translation*]

NATIONAL CAPITAL

POSSIBLE REPLACEMENT OF NATIONAL CAPITAL COMMISSION AND INCLUSION OF HULL IN CAPITAL REGION

Mr. Gaston Isabelle (Hull): Mr. Speaker, I have a question for the right hon. Prime Minister.

In the future, the national capital area on the Quebec side, which is undoubtedly the most beautiful area in Quebec and which has been developed almost entirely by the National Capital Commission and the federal Department of Public Works, will be controlled and hampered in its development by a new agency recently set up by the provincial government, namely the "Direction générale de la Capitale nationale", under the guidance of an intergovernmental affairs official highly specialized in separatism. Given this fact, can the Prime Minister tell this House whether the Canadian government intends to abolish the National Capital Commission and perhaps to amend section 16 of the act to include Hull as an integral part of the National Capital of Canada?

Right. Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for bringing these facts to my attention. I can assure him that the government has absolutely no intention of abolishing the National Capital Commission. On the contrary, I share the view of the hon. member, namely that the commission did a tremendous job on both sides of the Ottawa River in the last few years, and we want this to continue. As to the other part of the question, Mr. Speaker, the Fullerton report will be submitted to a commission of this House. We are waiting for the reports of this commission. Personally, I trust entirely the participation of the hon. member for Hull and of the other hon. members for the area to ensure that a very good report will be brought forward in this House.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

POSSIBILITY OF AMENDING SECTION 613 OF CRIMINAL CODE IN VIEW OF DECISION IN MORGENTALER CASE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Prime Minister. In view of the decision by the Court of Appeal in Quebec in the Morgentaler trial imposing a decision not only as to a matter of law but also as to a matter of fact in that case and the concern expressed this week by the right hon. gentleman from Prince Albert as to the effect this might have on the jury system in this country, and in view of the Prime Minister's own legal background, will the Prime Minister advise us whether the answer given in this House on April 10 by the Minister of Justice that consideration would not be given to changing section 613 of the Criminal Code under which a court of Appeal may come to the conclusion it did is government policy.

Right Hon. P. E. Trudeau (Prime Minister): Certainly a view expressed by the Minister of Justice in an area of his jurisdiction represented government policy at the time he expressed it. The suggestion itself, to my knowledge, has not been discussed in cabinet. If there is some reason to do so I will have a talk with my colleague and see if we want to bring it up in cabinet.

POSSIBILITY OF PARDON FOR DR. MORGENTALER—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): My supplementary concerns the same case in which the Crown elected to proceed by preferred indictment thereby avoiding a preliminary hearing, the uniqueness of this case being that the Supreme Court could find no legal precedent for the actions of the Quebec Court of Appeal. Would the Prime Minister also advise whether the view expressed by the Minister of Justice on the 10th that no consideration would be given to clemency or free pardon in the Morgentaler case also expressed the view of the government?

Right Hon. P. E. Trudeau (Prime Minister): The system allowing for preferred indictment has been in the Criminal Code for a very long time. The authority it gives to provincial attorneys general is one expressed by them in conditions foreseen under the law. I would be surprised if the hon. member is correct when he says that the Supreme Court made the point he said it did about this preferred indictment. It is a provision in the Code and it is there for a good reason. I do not know of any reason to take it out of the Code. If the hon. member has particular

arguments, he might want to submit them in some form to the government.

* * *

● (1430)

[*Translation*]

CONSUMER AFFAIRS

INQUIRY WHETHER GOVERNMENT IS ESTABLISHING A SUGAR POLICY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to put a question to the minister responsible for consumer protection.

Without prejudice to the fact that the three great sugar companies in eastern Canada are still on trial, does the minister feel that many citizens are literally taken in by the sugar cartels, which establish their prices according to the London Exchange, and therefore can he tell the House if he himself or his colleagues from the departments concerned are in the process of drafting a real sugar policy for Canada?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, in both cases.

Mr. Wagner: Mr. Speaker, I would like to put a supplementary.

Does the minister contemplate especially the enlargement of the Saint-Hilaire refinery as one of the concrete solutions liable to democratize the sugar market and as one of the steps likely to ensure real protection for the consumer?

Mr. Ouellet: This is also under consideration, Mr. Speaker.

* * *

[*English*]

INDUSTRY

TRIDENT AIRCRAFT COMPANY—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce and it relates to Trident Aircraft of British Columbia which announced yesterday it will be closing down April 30. Would the minister give the Trident Aircraft company the same assistance in British Columbia that the government has given de Havilland Aircraft in Ontario and Canadair in Quebec?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, some four weeks ago in Vancouver I indicated quite clearly that the federal government was prepared to support this particular venture in a very significant way. We said we would put something like $2 million, I think it was, behind it, and we have already put close to $1 million behind it. We asked that the investors in that particular firm be prepared to put up roughly $1 million, and I think the B.C. government was prepared to come in for about $1 million, too. I think quite clearly the next move is up to the investors. I do not think they can expect governments and the taxpayers of Canada to carry the whole burden.

Mr. Reynolds: A supplementary question, Mr. Speaker. May I ask the minister, is it not a fact that he has not put that offer to the company in writing?

Mr. Gillespie: Mr. Speaker, I am sure that the officers of the company are fully aware of our position, and I am not aware that that is any problem at all in this situation.

* * *

LABOUR RELATIONS

LEGISLATION DEALING WITH SINGLE SECTOR BARGAINING—POSSIBILITY OF INTRODUCTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of Labour. Last month when asked whether the government was considering the introduction of legislation dealing with single sector bargaining, the President of the Treasury Board scoffed at the idea while the minister himself said that he had no comment and that he was not in a position to discuss labour problems at that time. In view of the continuing labour unrest in numerous public sectors of our economy and because the Prime Minister himself has questioned the CLC about just such a proposition, can the minister now assure this House that in fact such legislation to somewhat curb the fragmentation of union power is being considered, and when is it expected to be introduced?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I cannot assure the hon. member that legislation is now being considered, simply because it is not at all certain that this is the best way to achieve this particular result. Let me advise the hon. member, however, that we have been doing a fair amount of work within the department itself to see how this tendency could be encouraged, and we have been talking with both management and labour with respect to it. Certainly, on the labour side, I have been receiving considerable encouragement toward this end.

* * *

ROYAL CANADIAN MOUNTED POLICE

DATE OF CONCLUSION OF INVESTIGATION INTO SEAFARERS' INTERNATIONAL UNION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question, which is a more or less a housekeeping one, is directed to the Solicitor General. In an answer on March 6 the minister said he was in weekly contact with the commissioner of the RCMP, and at that time the commissioner thought the SIU investigation would be concluded "in the very near future". When was the minister last in touch with the commissioner of the RCMP as to when the investigation will be concluded?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I was in touch with the commissioner of the RCMP today, but I was notified, I believe last week, that the investigation has been completed and that a report is being prepared. I will have the report shortly.

DATE OF RECEIPT OF TRANSCRIPT OF PRELIMINARY HEARING IN HAMILTON HARBOUR MATTER—GOVERNMENT ACTION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I ask a question which is more a related question than supplementary. On March 6 the minister was asked whether he has now received the eight transcripts of the preliminary hearing in the Hamilton harbour matter. Has he had a chance to review them, and what action does he intend to take?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we have received them but I have not read all of them. I have had my officials read through them and take out the parts that were relevant, and I have examined those parts.

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[*Translation*]

ADMINISTRATION OF JUSTICE

DATE OF DEBATE ON CAPITAL PUNISHMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to put a question to the Solicitor General.

In view of the great interest in the public concerning the retention or the complete abolition of capital punishment, and following the minister's recent statements, can he tell the House whether he will submit this question again to Parliament during this session or during the next session?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, no decision has been made on that; but as the hon. member knows, we must bring the issue before this parliament because the present law, which is a temporary law, expires at the end of 1977.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—he was here and he is gone again.

* * *

EXTERNAL AFFAIRS

VIET NAM—GOVERNMENT PLANS FOR EVACUATION OF CANADIANS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Acting Secretary of State for External Affairs. In light of increasing Communist preparations for an assault on Saigon, would the minister care to explain his answer of yesterday to a question of mine in which he said that it was not necessary to evacuate Canadians from Saigon as they are safe for the moment, especially since I heard over the radio this morning that Canadians are being evacuated from Saigon?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, on reviewing my answer yesterday what I should have said was Canadian personnel of our mission in Saigon. Arrangements are being made for the evacuation of other Canadians at their choice, preferably on commercial flights, but eventually we might have to put in a government plane.

VIET NAM—INQUIRY WHETHER CANADIAN FOOD AID GOING TO ALL AREAS OF THE COUNTRY

Mr. Donald W. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. I should like to thank the minister for the clarification of his answer yesterday. I should like to inquire whether Canadian food aid to Viet Nam is going to those areas presently under the control of the Saigon government as well as to those areas controlled by the PRG?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, as my colleague the Secretary of State for External Affairs explained, our aid to Viet Nam is being channelled through international organizations. I would have to ascertain whether they are providing assistance in all parts of Viet Nam.

CONFERENCE OF OIL PRODUCING AND CONSUMING COUNTRIES—CANADIAN POSITION ON SUBJECTS TO BE DISCUSSED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs respecting the preliminary conference on energy being held in Paris, which seems to be bogged down on the question whether the full conference should concern itself simply with petroleum and petroleum prices and problems, or whether it should include the consideration of other primary products. What has been the position of the government of Canada in regard to this issue, and what instructions has the government of Canada given?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, as the Leader of the Opposition will recall, we were not invited to the preliminary conference so our point of view was not sought.

Mr. Stanfield: A supplementary question, Mr. Speaker. In view of the fact that when I raised this question previously I was told by the responsible minister that the views of the government of Canada would be expressed through and to the international energy commission, I should like to know how the acting secretary of state reconciles the answer he had given me today with the position previously taken by the spokesman of the government in this House.

Mr. Sharp: Mr. Speaker, the Leader of the Opposition has asked two different questions. He has asked one about the conveying of our views to a different body. I do not find that inconsistent with the fact that we are not in attendance at that preliminary conference and therefore were not asked for our views. How could we have expressed our views if we were not there?

● (1440)

Mr. Stanfield: Mr. Speaker, I do not think the minister was speaking doubletalk intentionally, but rather from ignorance.

Some hon. Members: Oh, oh!

Mr. Stanfield: I should like to ask either the Prime Minister or the Acting Secretary of State for External Affairs what is the view of the government of Canada in respect of this matter? Should the full conference, if it is held, concern itself with the prices of primary products other than petroleum?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I may have missed the first part of the first question, but my impression is that there is no more information to give than that advanced by the Acting Secretary of State for External Affairs when asked whether this preliminary conference should be discussing other things than it is in fact discussing. I would tell the hon. member that we attempted to be part of that preliminary conference, and had we been part of it we perhaps would have expressed our views there, and might have had to formulate an answer to the question the hon. member is asking. We were not successful in being invited there, and therefore were not in a position to express views on that.

POSSIBILITY OF CANADA CALLING CONFERENCE OF OIL PRODUCING AND CONSUMING COUNTRIES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, because the preparatory world conference on energy has collapsed, with very grave implications for the world in respect of the price of energy, would the Prime Minister reconsider Canada taking the lead in organizing a global conference of oil producing and consuming countries to head off a threatened price increase? I put this question in the context of Canada being both an importer and exporter of oil and because of our trusted position internationally.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, we had hoped that we would have been invited to the preparatory conference, and I think it would have been helpful if we had. I want to assure the hon. gentleman that the effort to convene a conference has not yet been abandoned and discussions are going on among the countries concerned.

* * *

ENVIRONMENTAL AFFAIRS

SLUG OF DEAD WATER IN RED RIVER—POSSIBLE UNITED STATES RESPONSIBILITY TO INFORM CANADA OF ORIGIN—AMOUNT OF DAMAGE TO FISH

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I wonder whether the Prime Minister is now in a position to inform the House regarding the slug of dead water moving down the Red River? Can he tell the House whether the pollution did in fact occur on the United States side of the border and if there was an obligation on the part of the United States, either under the Boundary Waters Treaty or the Fisheries Act, to inform the Canadian government on March 27 when this was first monitored in the United States?

[Mr. Sharp.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not have the answer to that question which was asked on Monday. I am informed that the parliamentary secretary has been able to follow it through.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, this particular slug of water has passed down the Red River and has dissipated into Lake Winnipeg, as I understand it. Canada has been following this problem since it began. As a matter of fact it was our department which discovered the problem first at Emerson. The whole thing has been referred to the IJC, but the cause or the source of the problem has not yet been totally identified. We have some suspicions but we really cannot identify the source until we hear further from the IJC.

Mr. Whiteway: Mr. Speaker, in view of the fact that on March 27 this same slug of water was monitored first in the United States sector, I am wondering if the parliamentary secretary would answer the question I put to the Prime Minister? Was there any obligation on the part of the United States government to inform Canadian sources once it did monitor this, and is the Canadian government in fact now in a position to tell us what damage in terms of fish loss occurred, and does the government intend to take legal action in respect of compensation for that loss of fish?

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, I will have to check on the first part of the question. Having regard to the second part, we do know there has been some fish damage, but we do not have a complete assessment of the extent of the damage.

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UNEMPLOYMENT INSURANCE

CHANGE IN MATERNITY BENEFITS—DATE OF IMPLEMENTATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question for the Minister of Manpower and Immigration refers to a recent statement by his colleague, the Minister of the Environment, in which she said that the government has made the Unemployment Insurance Act more flexible where maternity benefits are concerned in that women will now be able to take maternity leave of 15 weeks in all in whatever way they choose, all before or all after the birth of the child. Will the minister inform the House when this legislation came into effect and when local UIC offices will be informed of the change which his colleague says will make these benefits applicable for 15 weeks either before or after the birth?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have not had the opportunity to examine my colleague's statement.

An hon. Member: It was premature.

Mr. Andras: I do not think we are interested in any of that male chauvinistic talk opposite. The amendment as described by my colleague is the intention of the government, but the precise date of its implementation into law has not been reached yet.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, is the minister aware that his colleague's statement is not in accord with the legislation regarding maternity benefits proposed in Bill C-16, and given the confusion that this has caused among the general public and the UIC offices across the country about the intent of the amendment, will the minister move toward resolving this situation by arranging with the House leader to have this bill brought forward immediately?

Mr. Andras: Mr. Speaker, I will note the hon. member's representation.

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AIRPORTS

ALLEGED USE OF CHILD LABOUR FOR JANITORIAL WORK AT HALIFAX—REQUEST FOR INVESTIGATION

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Minister of Transport. Is he aware that child labour, both male and female, has been used for janitorial work such as cleaning floors and washrooms at the Halifax International Airport, in particular on Easter Sunday, March 30, 1975? If the minister is not aware of this will he cause an investigation to be made and report to this House immediately? Would he also confirm whether this is governmental or departmental policy?

Hon. Jean Marchand (Minister of Transport): I will surely inquire, Mr. Speaker.

* * *

FOOD PRICES REVIEW BOARD

ALLEGED REFUSAL OF BOARD TO GIVE INFORMATION ON MEAT OPERATIONS OF CANADA SAFEWAY TO MANITOBA LIVESTOCK AND MEAT COMMISSION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I suppose I could say of my question that this is the third time of asking. Last Thursday in the absence of the Minister of Consumer and Corporate Affairs I put a question to the acting minister with reference to the fact that the Food Prices Review Board had refused to give certain information concerning the meat operations of Canada Safeway in Manitoba to the Manitoba Livestock and Meat Commission. Since I put my question rather fully last Thursday I need not go into it again now, but is the minister yet in a position to give the House a reply as to whether the Food Prices Review Board will be asked to co-operate in this matter?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, no doubt the hon. member's perseverance will have succeeded, since I am told that the Manitoba Livestock Commission will receive all the information it requests directly from Safeway.

* * *

● (1450)

[*English*]

TRANSPORT

FREIGHT RATES—APPLICATION FOR 20 PER CENT INCREASE—POSSIBILITY OF INTERVENTION BY MINISTER TO PREVENT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the Minister of Transport. On February 24, 1975, in a joint communiqué of the meeting of federal and provincial ministers of transport on western transportation the minister was quoted as saying that he was opposed to any further general horizontal percentage increases in freight rates. Noting that The Canadian National Railways have filed for a 20 per cent increase in class of freight rates which would come into effect on May 5 and which could have quite a spin-off effect on other rates, I should like to ask the minister what action he will be taking in support of his statement that he is opposed to any further horizontal rail freight rate increases?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, yesterday I had exactly the same question put to me. Today the answer is the same. I am still opposed to the kind of increase that is proposed.

Mr. Murta: Since the purpose of the 18 month freeze on freight rates was to find a solution to the so called anomalies and noting that the final study has not been completed as yet, and since the minister says he is still opposed to a further increase, but a decision will have to be made one way or the other before May 5 when the increases will come into effect, what specific action will he take? Rather than telling us his views, can he tell us what his department will do?

Mr. Marchand (Langelier): I think that I spoke about ten times in the House on how the freeze was imposed, for what purpose and for what length of time. All these questions were answered and I have nothing new to add.

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CONSUMER AFFAIRS

MONITORING OF REDUCTION IN SALES TAX ON BUILDING MATERIALS TO ENSURE CONSUMERS BENEFIT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. What adequate monitoring procedures will he set-up to ensure that reductions in the sales tax on building materials will be passed on to consumers and will not in fact represent windfall gains to house builders?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is something which comes under the jurisdiction of my colleague, the minister

responsible for housing. I know that some of my department officials are part of the team which is looking into this.

* * *

[*English*]

HOUSING

REQUEST FOR ASSURANCE PURCHASERS OF HOUSES RECEIVING BENEFIT OF REDUCTION OF SALES TAX ON BUILDING MATERIALS

Mr. James A. McGrath (St. John's East): My question is for the Minister of State for Urban Affairs. May I ask him whether he is satisfied that the reductions in the sales tax are being passed on to the home buyers in Canada, and can he tell the House what procedures are adopted or will be adopted to put these monitoring procedures into effect?

Hon. Barney Danson (Minister of State for Urban Affairs): The materials monitoring division of CMHC is checking this on a regular basis and reporting to me. There is an indication that the reductions are being passed on. It is hard to be precise. In at least one case the builder has actually returned the rebate cheque to the purchaser after the fact. In another case we have re-negotiated a contract for a limited dividend rental accommodation, and so the sales tax reduction was passed on. This is being watched on a continuing basis.

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AGRICULTURE

BEEF CATTLE—DISCUSSIONS WITH UNITED STATES CONCERNING RESUMPTION OF TRADE

Mr. Peter Elzinga (Pembina): Mr. Speaker, I have a question for the Minister of Agriculture. Can he inform the House as to what are the possibilities of removing both the export and import restrictions with regard to cattle which affect our trade with the United States?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I answered a similar question in the House yesterday and said that discussions are going on between the U.S. and Canada. I discussed the matter with the United States Secretary of Agriculture. I do not know what the consequences of the discussions will be, whether they will bear fruit or not.

Mr. Elzinga: In view of the fact that the restrictions which the minister imposed on the import of cattle from the United States some time ago caused the United States to react by imposing protective measures of their own that have been extremely damaging to the Canadian cattle industry, and in view of the fact that the minister himself has caused this dilemma, would he assure the House that he will do whatever is possible to have these regulations re-negotiated so that Canadian cattlemen can take advantage of the higher prices in U.S. markets?

Mr. Whelan: There is no truth to the statements made by the hon. member. As the result of actions we have taken, nearly $100 million has flowed to cattle producers in Canada. If we had allowed U.S. cattle producers to dump their cattle in the Canadian market, our prices would have gone down to the level of American prices for cattle. So, in effect, our action is beneficial to Canadian cattlemen. There is still a tremendous surplus of cattle in the United States and there is no advantage to Canadians from that market at present.

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CONSUMER AFFAIRS

REMOVAL OF SALES TAX ON CLOTHING AND FOOTWEAR—REQUEST FOR NAMES OF COMPANIES FAILING TO GIVE CONSUMERS BENEFIT

Mr. Bruce Halliday (Oxford): My question is for the Minister of Consumer and Corporate Affairs, Mr. Speaker. Having recently tabled a document on the removal of the federal sales tax on clothing and footwear which showed merely a modest decrease in the expected rise in prices, can the minister tell us whether the investigation indicated if any of the 113 retailers who were surveyed failed to pass on the tax saving to the consumers and, if so, is the minister prepared to release to the House the names of those companies?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): If the hon. member will only look into the report which was tabled in the House, Mr. Speaker, he will realize that we are satisfied with the response we have obtained from the retailers we had asked to co-operate with the department in this investigation. The names of three firms are mentioned because, during this investigation, they refused to answer our questions.

[*English*]

Mr. Halliday: I have a supplementary question, Mr. Speaker, with reference to the three names to which the minister has just alluded. Can he inform the House whether those three companies refused to answer the questionnaire because of some inherent dislike of it or whether they simply ignored the minister's request?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I feel the hon. member should read this report. He would clearly realize that these firms refused to answer the questionnaire. We had contacted them on a number of occasions, trying to find out if they had special reasons for refusing to answer it. Because they refused to answer our questions, when all the others complied willingly with our request, we had to print their names in the report.

* * *

[*English*]

AGRICULTURE

POTATOES—REQUEST FOR RECOGNITION OF FAMILY PARTNERSHIPS OR CORPORATE FARMS UNDER PRICE STABILIZATION PROGRAM

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, in view of the policies of the government in the past which

have encouraged family firms to operate to increase their size to gain greater efficiency, is the minister, in his actions to assist potato producers, prepared to recognize these family partnerships or corporations as more than one unit in respect of assistance to be paid under the price stabilization program?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are studying that request which has been put forward by other members of the House on this side.

Mr. Stanfield: Is that the only reason you are studying it?

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NATIONAL PARKS

CAPE BRETON HIGHLANDS—REQUEST FOR RECONSIDERATION OF DECISION TO IMPOSE ENTRANCE FEE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In light of several conversations and exchanges of correspondence which we have had on the unfortunate decision to charge an entrance fee at the Cape Breton Highlands National Park and in view of the representations that have been made by the leader of my party on the same subject, is the minister prepared, because of the unique situation which we have discussed in that there is only one access highway, to waive these charges or at least reconsider his decision before they go into effect?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I really do not see how we can waive them. We are endeavouring to make exceptions, as I indicated earlier, for residents of the park and people who must pass through to get to their homes. However, I will be down there over the weekend and hope to consult with the people in the area on the problem.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I rise on a question of privilege, if I might—and I am not sure whether this is the right procedure—in regard to the statement which the minister made concerning restrictions which he imposed some time ago. These regulations were so broad that United States cattle came into Canada in such large numbers that our cattle market was drastically affected, and yet Canadian cattlemen cannot take advantage of the U.S. market.

Mr. Speaker: Order, please.

● (1500)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,551, 1,693, 1,695, 1,696, 1,764, 1,842, 1,918, 1,938, 1,950, 2,007, 2,010, 2,013, 2,014, 2,016, 2,021 and 2,022.

Mr. Speaker, I ask that questions Nos. 271 and 318 be made orders for return and also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

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

[*Text*]

CNR—PENSIONS

Question No. 1,551—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25.00 per month?

2. How many are in receipt of a pension of $25.00 per month?

3. How many are in receipt of pensions of (a) $25.01 to $29.99 per month (b) $30.00 to $39.99 per month (c) $40.00 to $49.99 per month (d) $50.00 to $59.99 per month (e) $60.00 to $69.99 per month (f) $70.00 to $79.99 per month (g) $80.00 to $89.99 per month (h) $90.00 to $99.99 per month (i) $100.00 to $124.99 per month (j) $125.00 to $149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $299.99 per month (m) $300.00 per month or over?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. Two hundred fifty eight.

2. One hundred thirty.

3. (a) 629, (b) 456, (c) 562, (d) 1,438, (e) 633, (f) 508, (g) 422, (h) 464, (i) 1,251, (j) 1,559, (k) 3,273, (l) 6,395, (m) 8,129. In a number of cases the amounts of pensions paid by Canadian National Railways do not represent the total pensions payable to employees for railway service. Pensions payable by CNR to international employees (service in both Canada and the United States) relate to their service in Canada only. Such employees also receive annuities payable under the United States Railroad Retirement Act or the Social Security Act for service performed in the United States. For example, in the group receiving pensions under $25 a month, in 1974, there are 52 former international employees who also receive United States Railroad Retirement or Social Security annuities in respect of CNR service rendered in the United States. In addition, there are various pension agreements between CNR and other companies, such as Canadian Pacific Limited, CP Telecommunications, and the Ontario Northland Railway, where each company issues separate cheques for its portion of the total pension. Only the pension payable by CNR is in this statement. Also, since the passing of the Pension Benefits Standards Act by the Federal Government on October 1, 1967, there are employees who have terminated service with CN and are receiving rather small compulsory deferred pensions for service performed only from October 1, 1967. The balance of those receiving small pensions are employees who elected early retirement (before age sixty-five) with reduced basic pensions ($25) and employees who had very short service and very small contributions.

Order Paper Questions

PUBLIC WORKS—RENOVATION, LANGEVIN BLOCK

Question No. 1,693—Mr. Ellis:

1. What is the total amount of contracts awarded, to date, for the Department of Public Works project, Renovations to the Langevin Block, Ottawa, Ontario?

2. What is the present estimated cost of completion for this project?

Hon. C. M. Drury (Minister of Public Works):
1. $3,026,004.

2. $3,741,750.

PUBLIC WORKS—MAJOR POSTAL PROCESSING PLANT, TORONTO, ONTARIO

Question No. 1,695—Mr. Ellis:

1. What is the total amount of contracts awarded, to date, for the Department of Public Works project, Major Postal Processing Plant, Toronto, Ontario?

2. What is the present estimated cost of completion for this project?

Hon. C. M. Drury (Minister of Public Works):
1. $111,131,713.

2. $140,000,000. Expenditures relate only to contracts funded by Department of Public Works and do not include equipment purchases made by Post Office Department.

PUBLIC WORKS—PLACE GUY FAVREAU, MONTREAL, QUEBEC, CONTRACTS

Question No. 1,696—Mr. Ellis:

1. What is the total amount of contracts awarded, to date, for the Department of Public Works project, Place Guy Favreau, Montreal, Quebec?

2. What is the present estimated cost of completion for this project?

Hon. C. M. Drury (Minister of Public Works):
1. $1,705,787.

2. $204,073,000.

VALUE OF IMPORTS OF ELECTRONIC PRODUCTS

Question No. 1,764—Mr. Herbert:

What is the value, by country, of imports into Canada of electronic products since the effective date of July 1, 1974 of implementation of the general preferential tariff for developing countries up to December 31, 1974, under this tariff in tariff items (a) 44533-1 radio and television apparatus and parts thereof (b) 44544-1 transistors and other semiconductor devices and parts thereof, and specifically the value of those imports originating from Brazil, Mexico, Hong Kong and South Korea?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that imports into Canada in the period July to December, 1974 of electronic products, under tariff items 44533-1 and 44544-1, are shown on the following table. A breakdown by each country of consignment is provided.

Imports of Electronic Products entered under Tariff Items 44533-1 and 44544-1

	44533-1 July-December/74 $000	44544-1 July-December/74 $000
United Kingdom	5,260	728
Ireland	12	253
Austria	—	—
Belgium-Luxembourg	65	19
Denmark	29	1
Finland	65	—
France	93	52
Germany West	1,304	221
Italy	64	63
Netherlands	1,159	291
Norway	41	—
Portugal	109	—
Spain	1	—
Sweden	89	31
Switzerland	33	2
Germany East	163	—
Hungary	2	—
Poland	—	—
U.S.S.R.	—	—
Israel	653	—
South Africa	1	—
Africa NES	—	—
Hong Kong	6,634	225
India	56	—
Malaysia	1	6,889
Singapore	4,341	1,245
People's Republic of China	25	—
Japan	75,348	724
Korea South	5,416	3,250
Philippines	1	—
Taiwan	14,339	706
Thailand	—	—
Australia	16	61
New Zealand	1	—
Brazil	411	—
Jamaica	—	—
Haiti	1	—
Mexico	794	216
Puerto Rico	50	1
United States	102,542	28,684
	219,119	43,662

GOVERNMENT'S SHARE OF GDP

Question No. 1,842—Mr. Hogan:

In real terms after adjusting for price increases, what was the government's share of the Gross Domestic Product (GDP) over the two decades from 1952 to 1972?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that over the past two decades the government's share of the Gross Domestic Product is as shown in the table below.

Government Expenditure[1] as a Percentage of Total Gross National Expenditure[2] 1952–1972 (1961 dollars)

	per cent		per cent
1952	21.2	1963	18.9
1953	20.6	1964	18.3

Government Expenditure[1] as a Percentage of Total Gross National Expenditure[2] 1952–1972 (1961 dollars)

	per cent		per cent
1954	20.5	1965	18.4
1955	19.1	1966	18.9
1956	18.2	1967	19.4
1957	18.2	1968	19.5
1958	18.7	1969	18.9
1959	18.3	1970	19.9
1960	17.9	1971	20.0
1961	19.9	1972	19.6
1962	19.7		

[1]Includes government current expenditure on goods and services, government capital expenditure for all levels of government.

[2]Measures of gross domestic product are not available on a constant dollar basis.

HEALTH PROTECTION BRANCH—EMPLOYEES ON FULL-TIME LANGUAGE INSTRUCTION COURSES

Question No. 1,918—**Mr. Herbert:**

How many employees of the Health Protection Branch of the Department of National Health and Welfare are presently on full-time language instruction courses?

Hon. Marc Lalonde (Minister of National Health and Welfare): As of March 13, 1975, 59.

DEPARTMENT OF SUPPLY AND SERVICES—CONTRACT STATISTICS

Question No. 1,938—**Mr. Reynolds:**

1. For the years 1972 to 1975 inclusive, how many dollars in contracts were awarded by the contracting branch of the Department of Supply and Services to companies in the constituency of Dollard?

2. What was the total number of contracts issued with dollar amounts included for the entire Montreal region?

3. What was the total number of contracts issued with dollar amounts included for Canada?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The Department of Supply and Services does not collect contracting statistics by constituency.

2. Contracting in Montreal Region

Period	Number of Documents	Value $000
April 1, 1972 to December 31, 1974	89,986	867,282

3. Contracting in Canada

April 1, 1972 to December 31, 1974	763,977	3,569,100

SUPPLY AND SERVICES—DEMONSTRATION PROJECT ON PRINTING AND METAL FABRICATING PRODUCTS

Question No. 1,950—**Mr. Reynolds:**

1. Did a demonstration project related to the national competitive purchase of all printed material and all fabricated metal products take place in the years 1972-73 and, if so, with what results?

2. Did the results in any way affect subsequent policy innovations in purchasing?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes a demonstration project took place between April, 1973 and May, 1974 on printed and metal fabricated products. A detailed analysis of the results is being prepared for consideration by the government.

2. The results did not affect subsequent policy innovations in the Supply Administration.

SUPPLY AND SERVICES—INSPECTION ACTIVITY

Question No. 2,007—**Mr. Reynolds:**

1. Is there any duplication of inspection activities with the Department of Supply and Services, particularly in the area of high cost technology contracts issued for weaponry on behalf of the Department of National Defence?

2. How many inspectors are working for the Department?

3. What are the duties entailed in their jobs?

4. What is the overall cost of such programme?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. No.

2. There are 18 Technical Inspectors employed by the department.

3. Duties of the Department of Supply and Services Technical Inspectors are to provide technical supervision and inspection during the construction, conversion, repair, refit and docking of government civil ships or associated major components and equipment.

4. The overall cost of this programme is $459,000.

CONTRACT REVIEW BY TREASURY BOARD

Question No. 2,010—**Mr. Reynolds:**

1. What contracts in 1973-74 did Treasury Board review?

2. What were the negative recommendations made by Treasury Board for such contracts?

3. What latitude in decision making is preferred by the Board to the Department of Supply and Services purchasing wing?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. In 1973-74, 501 contract submissions requesting authority to enter into or to amend contracts were recommended to the Treasury Board by the Minister of Supply and Services or an authorized representative of the Minister.

2. In 1973-74 there were no negative recommendations made by the Treasury Board for such contract submissions.

3. Pursuant to Section 22 of the Government Contracts Regulations, the Treasury Board has delegated authority to the Minister of Supply and Services for the entry into contracts for the performance of any matter or thing that

falls within the duties, powers or functions of the Minister as follows: (a) For the entry into a contract—a limit of $500,000 where tenders have been called and the lowest qualified tender is accepted; a limit of $250,000 where tenders have not been called or only one tender is received; (b) For increasing the Amount of a contract—a limit of $100,000; (c) Where the Government Contract Regulations provide higher limits than those noted above, the regulations shall govern.

SUPPLY AND SERVICES—DESIGN CHANGES WITHIN CONTRACTS

Question No. 2,013—**Mr. Reynolds:**

1. When design changes are found apparent and necessary within contracts awarded to suppliers, how lengthy is the process by which a contract may be refitted with proposed new dimensions?

2. What body is responsible for this task?

3. Are there any reported cases where the design authority and the contractor give effect to the change in advance of approval?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The length of the process depends mainly on the complexity of the change in question. Difficult changes may take months while simple changes may require only a few days.

2. The design authority for specific contracts is usually the customer department. DSS negotiates the contract terms for design changes with the supplier.

3. Design changes that affect the contract price must be negotiated and approved through a contract amendment. Changes that the supplier undertakes without approval are made at his own risk.

SUPPLY AND SERVICES—CASH DISCOUNTS

Question No. 2,014—**Mr. Reynolds:**

1. Does the Department of Supply and Services have a uniform practice with respect to accepting cash discounts offered by suppliers for large quantities of goods purchased?

2. Do purchasing agents make efforts to have significant savings on their bulk purchasing?

3. What is the policy concerning the purchase of vehicle tires for the many vehicles operated by the various departments?

4. What departments or agencies purchase tires at commercial service stations and for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes, when the terms of the contract provide for such a discount.

2. Yes.

3. Tires for the many vehicles operated by the various federal government departments and agencies are purchased against National Master Standing Offer arrangements which have been negotiated by DSS with tire manufacturers and their distribution organizations.

4. All departments and corporations listed under Schedules A and B of the Financial Administration Act, and all branches of the government designated as departments for the purpose of this Act may purchase tires at commercial service stations in emergency situations only using the Canadian Government's National Credit Card System.

[Mr. Goyer.]

SUPPLY AND SERVICES—PURCHASING COSTS

Question No. 2,016—**Mr. Reynolds:**

Can a comparison be provided of salary costs in purchasing officers proportionating the cost of items purchased in actual salary dollars for figures of contracts of $1,000 to $100,000 in terms of the average dollar expended and, if so, what is it?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Any comparison of salary costs to the value of contracts awarded in the Value Class Interval of $1,000 to $100,000 is not possible as the Department does not isolate its salary costs in such a manner.

SUPPLY AND SERVICES—SURPLUS MATERIAL

Question No. 2,021—**Mr. Reynolds:**

What are the current procedures for the declaration of surplus material and supplies within the Department of Supply and Services?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The current procedures for the declaration of surplus material and supplies within DSS are: (1) determine that neither DSS nor any other federal government department or agency has a use for the item; then, (2) assign the item to Crown Assets Disposal Corporation for disposal.

SUPPLY AND SERVICES—INVENTORY MANAGEMENT

Question No. 2,022—**Mr. Reynolds:**

1. To what extent are inventory and ordering patterns counterbalanced so as to minimize costs and immobilize capital?

2. What are the inhibitions within the Department of Supply and Services policy that remove the tendency to overbuild stocks?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Through use of phased deliveries and direct shipments from factory to users.

2. Interest charged on investment in inventory is an important factor in the revenue dependency program of the Department.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXEMPTED STAFF ON GOVERNMENT PAYROLL

Question No. 271—**Mr. Munro (Esquimalt-Saanich):**

1. Under what authority are exempted staff hired?

2. Under what vote (or votes) are exempted staff paid?

3. From what are exempted staff exempted?

4. Are all exempted staff employed for service in Ottawa or are they sometimes assigned to other parts of Canada or overseas?

5. How many exempted staff are now on the government payroll and, of these, what is the breakdown (a) by department (b) by city or area of assignment?

6. How many former Liberal candidates for Parliament during the 1972 general election are now employed as exempted staff?

Return tabled.

NUMBER OF PUBLIC SERVICE EMPLOYEES WHO SUBMITTED TRAVEL EXPENSES

Question No. 318—**Mr. Orlikow:**

1. For each department, departmental corporation, agency corporation and proprietary corporation, how many employees whose headquarters were in Canada travelled outside of Canada and submitted travel expenses in each fiscal year 1969-70, 1970-71, 1971-72, 1972-73 and 1973-74?

2. In each fiscal year and for each department or corporation, what was the total amount expended on employee travel outside of Canada?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 34 and 37?

CORRESPONDENCE RELATING TO PROPOSED TRANSFER OF CN HOTELS TO CONSORTIUM OF CN, AIR CANADA, HILTON AND TRIZEC CORP.

Motion No. 34—**Mr. Mazankowski:**

That an Order of the House do issue for a copy of the proposed agreement, as well as copies of correspondence, telegrams and minutes dealing with the proposed transfer of CN hotels to the consortium of CN, Air Canada, Hilton and Trizec Corp.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the papers requested by motion No. 34 are private and confidential and not of a public or official character. I therefore ask the hon. member to withraw his motion.

Mr. Baldwin: Transferred for debate.

Mr. Speaker: Transferred for debate.

COPIES OF DREDGING CONTRACTS, 1970-74

Motion No. 37—**Mr. Paproski:**

That an Order of the House do issue for copies of contracts, correspondence, agreements and papers for each year 1970 to 1974 relating to dredging contracts in (a) Toronto (b) Quebec City (c) Île d'Orléans (d) Cap-de-la-Roche (e) South Baymouth (f) Hamilton.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the papers requested cannot be produced as they might prejudice any proceedings before a court of justice. I therefore ask the hon. member to withdraw his motion.

Mr. Paproski: I am willing to wait until after the court proceedings, and we will debate it in the House.

Longshoremen's Strike

Mr. Speaker: Transferred for debate. Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

LABOUR CONDITIONS

LONGSHOREMEN'S STRIKE—EFFECT ON FEED GRAIN SUPPLIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 26, I should like to present a motion for the discussion of a specific matter of importance and extreme urgency.

Mr. Speaker, I maintain that the House must study, in all haste, the present work stoppages which are paralyzing the ports of Montreal, Trois-Rivières and Quebec City, and are preventing the millers from getting feed grain supplies intended for cattle, thus threatening the lives of thousands of them, which will result in food product losses on the one hand and income losses for the farm producers on the other.

In spite of the injunction in the port of Quebec City, which is not the case with the ports of Montreal and Trois-Rivières, customers from those two cities have been forced to go to Quebec City for their supplies but reserves there will last no longer than a couple of days at the most. Public interest therefore demands that Parliament intervene immediately; to that effect, I move:

That this House do now adjourn.

Mr. Speaker: Order. I did receive notice of motion on this subject, pursuant to Standing Order 26, from the hon. member for Joliette (Mr. La Salle). It might perhaps be preferable to listen to him now before reaching a decision.

Mr. Roch La Salle (Joliette): Mr. Speaker, I am pleased to see that some hon. members are interested in the problems of Quebec.

In view of the alarming situation the Quebec producers are in, I feel compelled to rise under the provisions of Standing Order 26 to put forward a motion to discuss a serious and urgent matter, that is the longshoremen's strike in the harbours of Trois-Rivières, Montreal and Quebec City, which has the effect of jeopardizing the feed supply and even in some instances of fully disrupting this supply required by Quebec farm producers who are thus forced to take prematurely their cattle and poultry to the slaughterhouse. I therefore propose:

That this House do now adjourn.

Mr. Speaker: Order, please. It is the second time I am submitted a notice of a motion on the same subject pursuant to the provisions of Standing Order 26. Last Wednesday, the hon. member for Bellechasse (Mr. Lambert) gave the Chair notice of a motion pursuant to the provisions of Standing Order 26. I did not accept the motion last week, but I stated that it might be advisable to delay the matter

for a few more days. I invited the hon. member and his colleagues to follow the situation very closely, stating that if such a situation would persist I would reconsider that serious matter.

[*English*]

A week having passed, and not only the hon. member for Bellechasse (Mr. Lambert) having raised the subject again but this week is supported by a similar notice of motion proposed by the hon. member for Joliette (Mr. La Salle), the subject is obviously still current. The situation has not improved in the ensuing week. A week ago I took the precaution of holding it over for a week for further study to see if perhaps during the intervening days the situation, which was changing rapidly, might be better. It obviously has not greatly improved, and I think it is important to note that it is not for the Chair to try to make a decision on the details.

There were further questions today, there have been questions every day, and there have been suggestions that perhaps some things might develop which might improve the situation, but surely it is not for the Chair to interpose itself to try to make a decision on the details. The Chair must accept the fact that a week ago the subject was raised by the hon. member for Bellechasse. I asked the House to wait a few days to see the situation would alter for the better. We waited a week, and it is now raised again.

As suggested by the hon. member for Bellechasse, as well as by the other hon. member, I cannot see how the Chair can ignore the fact that the situation continues to be grave. Therefore, it seems to qualify eminently as a very serious situation deserving the special attention of the House pursuant to Standing Order 26 and, if it meets with the approval of the House, I propose to set the debate for eight o'clock this evening.

GOVERNMENT ORDERS

[*English*]

NORTHERN CANADA POWER COMMISSION

AMENDMENTS TO CONSTITUTION AND POWERS OF COMMISSION

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development) moved that Bill C-13, to amend the Northern Canada Power Commission Act, be read the third time and do pass.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Nielsen: Mr. Speaker, would you please be so kind as to call for the yeas and nays?

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

Some hon. Members: Question.

[Mr. Speaker.]

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five hon. members having risen:

Mr. Speaker: I caution hon. members that in the last 24 hours we have experienced some difficulty with the operation of the bells, and we will have to ensure that, during the course of the summoning of hon. members for this vote, the bells are in fact functioning in the West Block. They were repaired and are evidently functioning in the Centre Block and in the Confederation Building. If there is some difficulty in the West Block we may have to take steps to make sure hon. members are summoned.

In any case, call in the members.

The House divided on the motion (Mr. Buchanan) which was agreed to on the following division:

● (1510)

(Division No. 31)

YEAS

Messrs.

Abbott
Allard
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caouette (Villeneuve)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Danson
Daudlin
De Bané
Demers
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Flynn
Fortin
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Hopkins
Isabelle
Jamieson
Jones
Joyal
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapointe
Laprise
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Matte
McIsaac
McRae
Milne
Morin (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Olivier
Ouellet

Messrs.

Parent	Reid	Stewart (Cochrane)
Pearsall	Richardson	Stollery
Pelletier (Hochelaga)	Robinson	Symes
Pelletier (Sherbrooke)	Rompkey	Tessier
Peters	Roy (Timmins)	Trudeau
Philbrook	Roy (Laval)	Turner (London East)
Pinard	Saltsman	Watson
Portelance	Sharp	Whelan
Poulin	Smith (Saint-Jean)	Yanakis
Railton	Stanbury	Young—138.
Raines		

NAYS

Messrs.

Alexander	Hamilton (Swift Current-Maple Creek)	McKinnon
Alkenbrack	Holmes	Muir
Andre (Calgary Centre)	Horner	Munro (Esquimalt-Saanich)
Baker (Grenville-Carleton)	Howie	Murta
Baldwin	Huntington	Neil
Balfour	Hurlburt	Nielsen
Beatty	Jarvis	Nowlan
Brisco	Jelinek	O'Sullivan
Cadieu	Knowles (Norfolk-Haldimand)	Paproski
Carter	Korchinski	Patterson
Clark (Rocky Mountain)	La Salle	Reynolds
Clarke (Vancouver Quadra)	Lawrence	Ritchie
Coates	MacDonald (Egmont)	Roche
Cossitt	MacDonald (Miss) (Kingston and the Islands)	Rynard
Crouse	MacKay	Scott
Dick	MacLean	Skoreyko
Ellis	Macquarrie	Smith (Churchill)
Elzinga	Malone	Stanfield
Fairweather	Marshall	Stevens
Forrestall	McCain	Stewart (Marquette)
Fraser	McCleave	Towers
Friesen	McGrath	Wagner
Halliday	McKenzie	Wenman
Hamilton (Qu'Appelle-Moose Mountain)	McKinley	Whiteway
		Whittaker
		Wise
		Woolliams
		Yewchuk—76.

● (1540)

Mr. Speaker: I declare the motion carried.

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

* * *

PRAIRIE FARM ASSISTANCE ACT

MEASURE TO REPEAL ACT

The House resumed from Friday, April 11, consideration of the motion of Mr. Whelan that Bill C-30 to repeal the Prairie Farm Assistance Act be read the second time and referred to the Standing Committee on Agriculture.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, when this bill to repeal the Prairie Farm Assistance Act was introduced on Friday last I had just reached the point in my remarks at which I said this matter was now under investigation by the fraud squad of the RCMP.

I think I should remind hon. members that the purpose of the bill before us is to repeal a statute which has been on the books since 1939. It was an act devised to help farm families get through the winter in the years of drought by giving them a small payment, up to $800 a farm, which was just enough to pay for the groceries, to pay the taxes, and perhaps cover other incidental expenses incurred during the winter. This legislation served the country very well.

Unfortunately, in the course of time the PFAA organization became one of the main weapons in the arsenal of a political machine known as "the Gardiner machine."

● (1550)

The technique was that when in a year of drought PFAA had to hire staff to inspect each of the farms that had made application for payments under the act. These field men, as they were called, were hired on a political basis, and it was so easy to move from hiring friends of the party in power into a situation where you began to play games with the farmers respecting which classification they were put into regarding their claims for help and relief under this act.

This type of political machine reached such a level of interference in the economic and political lives of the western farmers that it has been written up in many places. I can recall the Meisal study on this in the *Queen's Quarterly* many years ago describing the Gardiner machine as a parallel to Tammany Hall of New York City, which was over 100 years old. More recently a book has been written called "Prairie Liberalism". This book by Smith, which has recently come into the Library, describes in very intellectual and prosaic language the building up of this political machine in which the power of the party in office was used to persuade or to force farmers into supporting the Liberal party.

One of the great reasons for alienation on the prairies was not only the preponderance of members of parliament from the central provinces but the fact that, when the legislation was passed and put into effect, in deciding how much money would be paid out of the fund in times of great duress on the prairies, pressure was put on individual farmers to declare their allegiance to the party in power. The technique, or the principle, used by this machine was a very elementary and brutal one. It was that of fear or inducement. If they could not induce you by offers of higher returns to support the Liberal party, then the full pressure of fear was applied to you. By fear, I mean statements like, "If you don't do what we think you should, you and all your relatives will lose all chance of access to better positions in society."

This has all been documented, and I can speak with personal knowledge of it. Before you could get to be a teacher in the province of Saskatchewan, if you applied to become a teacher at a normal school you had to have a signed statement from the Liberal MLA that you were worthy of that particular position in society. If you wanted to become a member of the secretaries of municipalities organization, for example, so you could become a secretary to a municipality, an ordinary clerical or administrative job, you had to have verification that you were a member in good standing, and have the support of the local MLA. I happened to grow up under that regime and, not only because of my Irish background but, because of the very immorality of that system, I have been an opponent of this sort of thing all my life. I do not care which political party does it, this sort of thing has to be opposed.

Some hon. Members: Hear, hear!

Prairie Farm Assistance Act

Mr. Hamilton (Qu'Appelle-Moose Mountain): In my remarks on Friday I described how, when the government changed in 1957, the Diefenbaker administration, under express orders from the Prime Minister and his cabinet, tried to clean up the situation not only in regard to PFRA but also with regard to the PFAA legislation. It was a tough operation to make it clear to everybody concerned that no more dishonesty would be allowed in handing out the farmers' own money to farmers. In this regard the evidence given in the Standing Committee on Privileges and Elections, and again during court proceedings held in Saskatchewan on the question in 1964, revealed that that administration was vindicated.

I want to say in fairness that after the government changed in 1963 there was no evidence that PFAA had gone back to its old habits. One of the reasons—I think I made this clear on Friday—was that the man who was put in charge of this in 1961 was a man known to all municipal councils and secretaries in the whole province, Mr. Howard Riddell. His reputation for honesty and hard boiled integrity was such that, with him in charge of it, everybody knew things would be run honestly and fairly, and he was in charge from 1960 to 1974.

However, during the last few years we have begun to detect signs that the old machine is coming back into operation, and this has a bearing on this bill. This bill seeks to repeal this legislation. Actually, for all practical purposes, the government, without any authority from parliament, repealed the act long ago.

I commenced my remarks on Friday by saying that when, in 1970, the government decided to impose controls on the western farmer under the so-called LIFT program, the program was entitled "lower inventory for tomorrow", but turned out to mean "low income for tomorrow". Under this control mechanism of supply management, once again you met a whole army of inspectors. They had the PFAA organization in place. It was not being utilized by the government. Therefore the government brought that administrative procedure into action to handle the grasslands program and the summer fallow program under LIFT. Under LIFT farmers were told that if they did not do what they were told, which was to get away from growing wheat, and that if they did not summer fallow their land a second time, or go into grass, they would lose their quotas to sell. So 85 per cent of the farmers, who had to have some money in order to live, had to obey the government and go into summer fallow the second time, or into grass.

Since the farmers were asked to take these uneconomic steps such as reducing their production of food, or doing things dangerous to their rotation system, such as summer fallowing twice in a dry desert area, the government paid them $6 an acre, which was roughly the cost of running over the land in summer fallow. They were also paid for going into grass. This is where I think the opportunity arose for those in the program to visualize, having all these inspectors inspecting the amount of land that was in summer fallow and the amount of land that was in grass, how easy it would be to build up the old political machine again. "Tell your friends, don't worry; submit any figure, we will accept it" that was the type of technique used.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

All of the areas in summer fallow were photographed and surveyed by aircraft. After long study of these photographs, and through other techniques, it was discovered by those who keep the accounts that more money was spent than should have been spent on land in summer fallow. Likewise with the grass program; more money was spent on that program than should have been spent. Then instructions went out to collect from those people who got too much money. All this happened at a time when there was an election campaign going on, and no political party in power wants to antagonize too many voters by collecting money from them that they receive wrongly.

● (1600)

After the election they started this collection procedure again and, low and behold, another election came on in 1974. Then very peculiar instructions went out. This long history I have described led to the facts I mentioned on Friday. I asked the minister in the House whether he was aware of these things and whether he would investigate. He said he would take a look, and I read that reply into the record.

Later on in the week the hon. member for Red Deer (Mr. Towers) asked if the RCMP fraud squad was being asked to investigate these particular allegations of fraud. Let me say that under the rules of the PFAA, in order to keep it honest, the director sent all supervisors and field men instructions, that during election campaigns they were not to do anything not specifically directed by the supervisor. This was to keep these inspectors, or field men, off the farmers' backs and away from any criticism as to inducements being offered or threats being applied.

After the election was over on July 8, the field men in x number of locations appeared with second expense accounts. In the normal course they submit their expense accounts to the supervisor who looks over the jobs they have done, signs his name, and submits them to a higher authority for final payment by the treasury office.

When the supervisor in these locations saw that these new expense accounts covered periods of time for which the inspectors had already been paid, they refused to sign them, then phone calls were made. Somebody gave the order over the phone not to worry about the supervisors, but to get these expense accounts sent to Regina where they would be signed and paid. This involved expense accounts being paid twice for the same period.

What were we to do with this information? I am not going to go over the story told by the hon. member for Red Deer, or his conversations with the RCMP. The hon. member for Swift Current-Maple Creek (Mr. Hamilton) and the hon. member for Crowfoot (Mr. Horner) will tell their stories later. What I am saying is simply that when you have a situation in which there have been financial irregularities, the Auditor General should be asked to do an audit. So the Auditor General sent his staff in to photograph all these documents. There is a limit to what we should say on a matter under investigation under our sense of responsibility. I have gone as far as I think I should in saying that this matter is being investigated by the Auditor General's department and by the RCMP fraud squad.

A good deal of the information that has been provided to the Auditor General and the RCMP is in my possession, and I think we have many more questions to ask in addition to the questions about financial irregularities. The allegation of financial irregularities is something with which the Auditor General should deal, but what intrigues me and forces me to ask under my responsibility as an MP, is who authorized this whole thing, and where does this trail lead? I cannot see an administration man in Regina signing papers which he suspects and probably knows are fraudulent without having obtained clearance from somebody higher up. This investigation will track down the details at that level.

These are the kind of thing that those of us who should be protecting the public interest should be questioning. Those of us who are fighting against this type of political force being applied should be interested in these matters.

The PFAA has been virtually out of operation for five years during which time it has been winding up its affairs, probably improperly. During that time why was the director paid $25,000 a year in taxpayers' money, yet not even allowed into his own office? I think that is a question hon. members want answered. Why were three supervisors asked to retire before their terms were up? In one case an individual refused to retire voluntarily before his time, and was fired. He was not fired because of incompetence or for cause. All three of these men were top men, and this one man was let go a year and a half before his pension started. Why were the authorities trying to get rid of these people at the top level?

Mr. Horner: It looks like a cover up.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Why were these field supervisors dismissed? Why were several girls who worked in the PFAA offices dismissed at the end of the year, just at Christmas time? Surely they were not guilty of planning this great conspiracy. Some of these girls had been working in that office for many years. They were appointed by the Liberals. They were kept on by the Conservatives. Why would this government come along when all this fuss began to develop, and dismiss this staff, even before parliament authorized the repeal of this legislation? These are political questions that cannot be investigated fully by the RCMP or the Auditor General.

Before this House decides that this is just a housekeeping bill and should be passed, we should be given a lot of answers. I have also heard reports about bills under the PFAA legislation which have not yet been paid. We have many questions to ask about this sort of thing. There may be no dishonesty involved in this non-payment of bills, but how can we blithely repeal this legislation when we know these matters have not been cleared up properly? These are matters that we should try to clear up under our political responsibility.

Another point of interest is that the money in this fund was collected under this legislation from every farmer, but now that the act will no longer be in operation what is left in the fund will go into the consolidated revenue account in trust. I would like to know who it is being held in trust for, and why—

An hon. Member: For Otto Lang.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Somebody has a Freudian complex behind me. This bill says this money will be held in trust for the western Canada grain stabilization fund. That bill has not even been passed, and if it is passed this program will be a voluntary thing. What moral right has this parliament to take this money that belongs to all those grain farmers that paid it, and put it into a fund where only a few farmers have access to it?

I think I have made enough points to explain why it is that we will be moving a motion asking parliament not to read this legislation a second time, but to refer the subject matter to the standing committee so that it will be taken out of the House to that place where we can ask the proper questions.

• (1610)

Therefore, as I said in my opening remarks, my first thought on seeing the bill was to ask the House leader whether it could be delayed until we have the reports back from the Auditor General and from the fraud squad of the RCMP. I think we have the responsibility, as members of parliament, to see if this money spent under the LIFT program in payment for summer fallow and grass pasture operations was properly spent. Theoretically one could deal with this under the estimates, but the estimates on this are under PFAA which is now off the books. I know that PFAA estimates run until March 31 of 1975 and they are automatically passed through the committee at the end of May, if I understand the rules correctly. We may not have the RCMP report at that time. I think we should keep this bill in limbo until we have the full story because parliament demands that we scrutinize the expenditures of money under this bill.

Let me put it this way. I will tread very lightly on these alleged fraud charges because I think that matter is probably in the hands of the RCMP, but I have many political questions to ask. Forgetting all about the exact amounts of money involved in the frauds, which are criminal offences, there is a political question I should like to put. What were these field men doing during the pre-election period before July 8? Obviously they had done their duty as demanded by their supervisor, and had been paid their expenses. What was the second thing they were doing that brought in expenses of $1,400 in one report that I saw?

Mr. Benjamin: Counting the grass roots.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I, and I think other members of parliament, want to ask those supervisors who were fired last fall why they refused to authorize the expenses of those field men, and who authorized the second set of expenses, and why he authorized them.

I want to know who it was that the field men knew whom it was safe for them to phone and bypass their supervisor. Who was it in Regina from whom they received these instructions, and who authorized that official in Regina, because no official in Regina would take a chance on this rip-off unless he had authority from someone higher up?

It is abundantly clear that what we want is to get a chance under the parliamentary rules to ask the political

questions that will not be asked by the fraud squad or by the Auditor General, to track down this person who is trying to build up once more the political machine which dominated western Canada for so long. This rebirth of the Gardiner machine is not good for the prairies and not good for the country. The PFAA was good legislation although it had to be amended and made more workable, but why did they ruin it by making it a political tool of a political party? The Diefenbaker government cleaned it up at great political risk, and now it is back again.

We are being asked to repeal legislation whose author we should have been praising for having brought it into effect and making it a genuine monument. I am referring now to the Right Hon. James G. Gardiner who brought in the legislation nearly 40 years ago. Now this legislation is ending with a whimper and a horrible smell. I do not know who is responsible. I have my own suspicions about ambitious politicians in Saskatchewan who aspire to even greater things.

I want to speak for all farmers of all political persuasions when I say that agriculture should not be made a political football. It will require the best efforts of all political parties, working together, to try to get the agricultural sector to do the job that the world is demanding of it. I believe that the way to assist agriculture to do the job that the world expects of it in the next 25 years is to put agriculture in Canada under one minister. The division of the agriculture portfolio into four or five sections, all with responsibilities leading up to various ministers, is a multiple schizophrenia that must stop. I know that the Minister of Agriculture (Mr. Whelan), who has had this portfolio for 2½ years, has set up an office in Regina and staffed it with a very able man. I thought this office was being set up so that the department could get a true representation of what the west thought, fed right to the minister. I thought that office was being set up to balance off the great political power of the crown prince of Saskatchewan.

Mr. Benjamin: What was that?

Mr. Hamilton (Qu'Appelle-Moose Mountain): There is a deaf man to my left. I said, "the crown prince of Saskatchewan." What I fear is that the office which the minister has set up in Regina has become part of this political machine. When birds of a feather flock together, one gets the idea that something is going to happen.

I suggest to the Minister of Agriculture that he take the lead. I have suggested to him that if he will join us in this motion to take the subject matter before the standing committee so that he can deal with the monetary parts looked after by the Auditor General and the criminal parts looked after by the RCMP. Also we should look into the political parts to see if we can get at the truth. Then it would be evident to the western farmers that the government is not trying to cover up this whole smelly mess. The way to kill this political machine on the prairies is to get it out in the open here. Let us take a good look at it. We trust the Minister of Agriculture to fight for the farmers. We, in turn, will fight to see that agriculture is made whole again and that we get ARDA, PFRA, and the whole question of incomes policy back under the Department of Agriculture. All these things that are so dependent on a unified policy should be run by some one who knows what the target is. Then we can gear up agriculture to its maximum efficiency.

● (1620)

If politicians want to build political machines, let us not have them built on the backs of many of the farmers. Let us not have them built on the backs of the men who will be asked to make maximum efforts in the next 25 years to produce for the world. Let us use some other method, but let us not use agriculture to build a political machine in western Canada.

The motion I have outlined will be moved later on by one of my colleagues, and I strongly suggest to the hon. members of the government party that they do not hide all the truth of this smelly mess from the people of the west. I suggest that they bring it out into the open, get it cleaned up, and let the farmers go to work to do their job. Let us do our job here and have this legislation ultimately repealed, but before we do, let us clean it up and bury it decently.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have carefully read the remarks made by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) when he started this debate on April 11, and I have listened to him carefully today. This is one of the rare occasions upon which I can agree with almost everything he said. Either he or I may think that that is a refreshing change, but it does not matter.

I want to echo some of the remarks made by the hon. member. I have spent most of my life in southwestern Saskatchewan and southeastern Alberta, which must be the middle of the dust bowl, both as a teenager and when I got older. There were countless occasions when the PFAA inspector, that person who hovered over the lives of farm people all those years, was talked about either in disgust, anger, or fear. I can recall relieving a station agent in southern Alberta during the 1949 federal election campaign, and sitting having a beer with some of the boys one evening, and the hearing the local kingpin Liberal saying that if that poll did not go Liberal they would not be able to get the dry bonus. That was just rampant all over the prairie provinces. It was used as a weapon to frighten people, and almost to terrorize them. It was not a lot of money, but to people who had been dried out, it meant a lot.

The hon. member for Qu'Appelle-Moose Mountain spoke about expense accounts. I recall that in my baseball playing days one of the members of the team was the local PFAA inspector. We went to a baseball tournament and played until dark. On the way home we stopped at a farm. He went in and looked at a couple of granaries, got back into his car and we proceeded home. The next day he put in a full expense account for inspecting x number of farms on behalf of PFAA. The expense account included mileage, meals, and the whole thing. He delighted in telling us how he went one time to play poker and put in an expense account to PFAA. The operation of this organization was common knowledge to the people out in the field over all those years.

I agree with the remark the hon. member made about Mr. Howard Riddell. For the first time in the history of the PFAA it was headed up by someone with integrity and honesty, and who would not put up with the kind of hanky-panky the Gardiner machine organized and maintained. That is all history, but I think it is only proper for hon. members to bring these matters to the attention of the House in order to try to persuade the government that it would be somewhat unseemly, to say the least, to repeal the legislation before all the administrative details are cleaned up satisfactorily.

I would like to submit to the Minister of Agriculture (Mr. Whelan) that this mess he has inherited will not be cleaned up by August 1 when he wants the repeal of the Prairie Farm Assistance Act to take effect. To support the remarks made by the hon. member for Qu'Appelle-Moose Mountain, I submit that in the areas of expenditures, particularly travel expenditures, I have received reports similar to those received by other hon. members from different parts of the prairie provinces, and there can be no doubt that a full and thorough investigation is needed. I have no doubt that it will result in some criminal charges.

There is one other area the minister became responsible for when he became minister. He became responsible for the treatment afforded permanent employees under the Prairie Farm Assistance Act. My information is that of the approximately 18 permanent employees in the PFAA office in Regina most, if not all, have now been let go, but casual employees have been retained.

Some, if not all of the employees who are presently running the PFAA office in Regina, were out in the field on expense accounts. Most of the work which has been going on in PFAA offices over the past year and a half or so had to do with the Grasslands Incentive Act. There have been very few PFAA matters to clean up, except for the odd farmer's estate or something of that nature. These people have been operating on expense accounts from Regina up to the Peace River country and into Manitoba. It seems that it has been a very cosy operation, and perhaps even lucrative for those travelling on mileage expenses and per diem allowances for meals and rooms, considering the distances involved. This should also be part of the full inquiry and investigation.

Why have permanent staff, some who have worked in excess of 30 years, not been placed in other areas of the federal public service? Mr. Riddell is now working for the department of municipal affairs of the province of Saskatchewan. I would have thought that a person of that calibre would have been eagerly sought by the Minister of Agriculture to work in some part of his department, or at least in some part of the federal government. There is a list of male and female permanent employees who have not been placed.

On December 17 I wrote to the minister, and I quote from that letter:

> It has been brought to my attention that you are closing the PFAA offices in Regina and that no action has been taken to ensure that long-term employees are found suitable alternative employment.
>
> A number of these people have served the Department of Agriculture in the Prairie Farm Assistance Branch up to 32 years. If they retire and go on pension they will only receive 64 per cent of the average of the highest six consecutive years salary.

In my letter to the minister I also wrote the following:

> ... because these people are not 55 years of age they are penalized further under the Superannuation Act by going on pension prior to the age of 55 years.
>
> I believe something should be done for the 18 permanent staff members in the Regina office and the 12 field supervisors. The 18 staff members I understand are to be let out at March 31, 1975. I would appreciate any assistance you can give to protect these people.

● (1630)

I wrote to the Minister on December 17. He replied on January 31, 1975, and said:

> With the phasing out of the PFAA offices in Regina, the department is making every effort to find alternate employment for the employees affected.
>
> We have contacted other departments in the federal government, employment agencies of provincial governments and municipal governments. In addition, every effort is made to ensure that these employees are aware of vacancies in the department so that they can indicate interest in any position for which they may qualify.
>
> Yours sincerely,
> Eugene Whelan,
> Minister of Agriculture.

My information is that of those 18 permanent office employees of the PFAA in Regina only one is presently an employee in the federal public service, and that is because prior to going to the PFAA he had already served with the crop insurance branch and so had public service status. None of the other permanent employees were placed in the federal public service, however. In fact the minister has not done what he said he would do in his letter of January 31, that is, make every effort to find alternative employment for the people effected.

It would seem to me, Madam Speaker, that it is incumbent upon the minister to do something for an employee who has 32 years of service and has not yet reached the age of 55. Surely such a person should automatically get a position in the minister's department. There was one woman in the Regina office who was competent to run it and supervise the staff, but it is my understanding that she is no longer in the federal public service and, as a result, has been penalized in respect of her pension plan. This sort of callous treatment of people who have spent years and years in loyal, dedicated, permanent employment is not good enough.

An hon. Member: There just were not good Liberals.

Mr. Benjamin: I think many of them were, but some have said they are not any more.

It appears that it is the casual staff of PFAA that has been retained. Surely casuals should be let go before permanent staff. I would have bet money that this sort of thing could not have occurred under the present Minister of Agriculture (Mr. Whelan) although I would not have bet money on any of his predecessors, with the possible exception of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). I am anxious to hear from the minister how this action can be justified and, if I am wrong, of course he will correct me.

I agree with the hon. member for Qu'Appelle-Moose Mountain that the subject matter of this bill should be

referred to the Standing Committee on Agriculture, or to some other forum for full and open inquiry. Mr. Riddell should be invited to appear with all those employees who were affected so that they can make their representations. The results of any police investigation, or other inquiries into fraudulent practices regarding expense accounts, should also be presented to the committee. Surely the minister must agree that this matter cannot be cleared up by August 1 when he wants the repeal of the Prairie Farm Assistance Act to take effect.

There are some questions which I think should be answered, Madam Speaker, and I will go over them slowly in order that the minister can make notes and reply to them when he speaks on second reading, or at a later stage in the debate we should certainly have more detailed information.

First, is an investigation being carried on regarding expense accounts or irregular practices of the staff of the Prairie Farm Assistance Act and, if so, who is conducting it? Is it being done by the Auditor General, internally by the department, or by the RCMP? Have charges been laid and convictions obtained? Are charges yet to be laid? Will the minister provide the number of permanent employees of the PFAA as of March 31, 1971, and March 31, 1975? How many permanent employees have been released, dismissed, resigned, or pensioned? How many have been transferred to other service in the federal Department of Agriculture, and how many in other branches of the federal public service? How many are still in PFAA service? How many have been retired under the age of 55, how many have been retired between the ages of 55 and 65, how many have been retired with under 30 years of service, and how many with under 35 years of service? How many casual employees did the PFAA have as of March 31, 1971, and as of March 31, 1975? How many of these casual employees have been released, dismissed, or transferred to other service with the federal Department of Agriculture or other federal departments since that time? How many casual employees remain with the PFAA?

I think the committee should also have a list of the employees of the PFAA during the last 24 months, and that the chairman of the committee should write each of those employees informing them that the inquiry is being conducted, that the subject matter of the legislation is before it, and inviting them to appear, to tell anything they wish to tell or know about the operation of the Prairie Farm Assistance Act. They should also be invited to air any grievance they may have at the failure to place them in other branches of the federal public service, about early retirement, or about their treatment in regard to superannuation.

Those are the questions I would like answered, and no doubt other hon. members will have more. I am confident that we will get from the Minister of Agriculture a full and frank response, and that he is interested and anxious for a complete and proper finalization of the Prairie Farm Assistance Act. I am sure he will agree that all these questions cannot be answered fully before August 1 at which time he wishes this repealing legislation to take effect.

[Mr. Benjamin.]

● (1640)

I want to raise a couple of other matters which are involved with this legislation. The great grain income stabilization debate of 1971 brought beneficial results for crop insurance. Those who were members of this House in 1971 will recall what was said in that debate by the then hon. member for Saskatoon-Biggar, Mr. Gleave, by myself, others in my party, members of the Conservative party including the hon. member for Mackenzie (Mr. Korchinski), the hon. member for Vegreville (Mr. Mazankowski) and others, by the then minister of agriculture, who suffered the fate ministers of agriculture of his kind suffer, and by the present minister who is in charge of the Canadian Wheat Board.

The grain stabilization bill of 1971 provided for the repeal of the Prairie Farm Assistance Act. We said in that debate that we would not accept legislation which repealed the Prairie Farm Assistance Act unless and until the Government of Canada could replace that act with something better. Since then the government has made substantial improvements in the way the present crop insurance plan is operated and financed, and I commend it. The result has been that in Saskatchewan the cost of premiums has been halved, and many more thousands of farmers can now buy crop insurance. I learned in the last day or two that about 60 per cent of all Saskatchewan farmers are now enrolled in the crop insurance scheme.

Ever since the 1940's thousands of farmers on the prairies have been waiting for this program. It is a long-cherished dream, that the day will come when farmers are covered by a universal, all-risk crop insurance program of the sort they are entitled to, which covers all forms of natural and man-made hazard. One of those latter hazards is the minister in charge of the Canadian Wheat Board. That was one of the successes flowing from our preventing the government from enacting the first grain stabilization bill. After that the government improved substantially the operation and financing of the crop insurance program. I believe it is fair to say that it involves all provinces of Canada. All are co-operating, paying their share, and administering it well. The number of farmers taking advantage of the program has increased markedly.

The hon. member for Qu'Appelle-Moose Mountain mentioned that about $7 million or $8 million is left in the PFAA fund. I hope the minister, when he speaks, will tell us the exact amount. The hon. member for Qu'Appelle Moose-Mountain felt that something other than what the government has proposed should be done with that money. We think so too, for the following reasons.

Those who were here when we debated the first grain stabilization bill, which had been introduced by the minister in charge of the Wheat Board, will recall that members on all sides, particularly members of opposition parties, repeatedly said that the bill should provide for pay-outs on a regional, even on a local basis. The pay-outs should be similar to those made under PFAA, because often farmers in various regions suffered from a loss of income, a loss which was often localized as a result of factors beyond their control. Factors like drought, frost, flood, wind, wild life and what-not were mentioned. The minister in charge of the Wheat Board, and the then minister of agriculture, Mr. Olson, and others on the government side repeatedly

made the point that these hazards, namely, drought, flood, wind, wild life and so on, were covered by crop insurance. The minister in charge of the Wheat Board said, and he has repeated it in recent months, that a grain income stabilization program would be related to markets and price.

If one accepts the position of the minister in charge of the Canadian Wheat Board, the grain stabilization fund has nothing to do with natural hazards brought on by weather, wild life and so on. Its only involvement ought to be with market and price. If that is so, how in heaven's name can he justify taking the money left in the prairie farm assistance fund and putting it in the grain stabilization fund? PFAA moneys are for programs covered now by crop insurance. It provides money for drought bonuses and so on. You hear people talk about drought bonuses, wet bonuses, for grain under the snow bonuses, and whatnot. Clearly that money has nothing to do with markets and price. It has to do with natural risks, natural hazards thrown in our way by mother nature.

It has been suggested by some that the $7 million or $8 million still left in the PFAA account should be put in the crop insurance program fund and used for crop insurance in the designated areas, namely, Manitoba, Saskatchewan, Alberta and that portion of British Columbia which comes under the jurisdiction of the Canadian Wheat Board. That money should be used for crop insurance in that area, and should be divided in direct proportion to the amounts collected in those areas over the years.

The Department of Agriculture says that this is not being done because it would be terribly difficult to figure out ways for dividing that money. I think that is not so. The department knows how many farmers delivered grain and from how many they deducted 1 per cent or 2 per cent. The money should be divided in the same proportion.

I have talked to people working in the crop insurance field and they say that $7 million or $8 million would not do much to reduce premiums in the three prairie provinces and the Peace River country of B.C. because the total amount of money involved is massive. But I submit that you can do other very useful things with that $7 million or $8 million. For example, you could use it for research connected with crop insurance, and for an enlarged program of education and information for farmers of the area who do not have crop insurance and are still examining it. Spending that money on research, information and education would be a good idea. It should be spent in the area from which it was collected. Any attempt to transfer that money to the Consolidated Revenue Fund and then to the grain stabilization fund would be totally unjustified, even if one uses the arguments of the minister in charge of the Wheat Board and of the former minister of agriculture. They said, "Oh, no, you cannot have pay-outs under a grain stabilization plan for hazards which should be covered by crop insurance." I argue, conversely, that you cannot take money collected for crop insurance and pay it into a grain stabilization plan.

In other words I submit that the Minister of Agriculture should not let the minister in charge of the Wheat Board have it both ways; he should not let him put his cotton picking hands on money which only the Minister of Agriculture ought to administer. I think he would get the unanimous support of all members on this side for that proposition. I hope the minister will look again at the wording of the bill.

People in the crop insurance field have said that we should look more closely at damage done by wildlife in the three prairie provinces and the Peace River country of British Columbia. The provisions of the bill in this regard ought to be substantially expanded. Wildlife damage perhaps is not as significant as flood, wind or drought damage in the area of concern to the Wheat Board, but wildlife, all the same, does a considerable amount of damage to crops. The north end of Last Mountain Lake, which is in my constituency, is the centre of the Sandhill crane migration. What a flock of those do to a field of grain swaths in an afternoon is enough to drive any farmer to drink. It occurs annually.

● (1650)

I have lived in a number of places in Saskatchewan and Alberta. In the southwest dry area, the northwestern and southeastern areas there is a lot of bush, and big game crop damage occurs. It would be money well spent if they had $7 million or $8 million for that. This could be combined into the whole area of research, and more could be done by way of lure crops. Certain acreages should be set aside to entice wildlife away from farmers' crops.

The money belongs to the farmers in the Canadian Wheat Board area. They contributed it to a form of crop insurance, PFAA. When that act is repealed the money left over should go to the crop insurance plan. The minister may have some different idea that would be even better with regard to how that money might be used for crop insurance. However, I submit that that is the proper way to do it.

The hon. member for Qu'Appelle-Moose Mountain made one specific and some general statements regarding the administration of expense accounts and so forth. I have had the same sort of thing relayed to me. No doubt it has been relayed to the minister in one form or another. We would like a full and frank account from the minister on what he has been doing, what is now going on, and the results of any investigations or inquiries. I appreciate that if there is anything liable for court action it cannot be gone into at this point. However, he can certainly answer some of my questions. Have any charges been laid and convictions obtained? Will more charges be laid? Is there really anything to this at all?

I know the minister is anxious to deal fully and frankly with the members of this House and the Standing Committee on Agriculture. I am sure he will ask his House leader for the fullest possible terms of reference for the Standing Committee on Agriculture so witnesses can be called and all former and present employees, whether permanent or casual, will be notified in order that they may appear if they wish. I also ask that he give a full account of the efforts he said were being made in his January 31 letter to me in order to obtain employment for these permanent employees, some of whom have been with the PFAA administration for many years. Surely that is owed to those people who have given loyal and dedicated service.

The government should resist the Gardiner hanky-panky of the late thirties, forties and fifties up to 1957. It is to the credit of the Diefenbaker administration that they made some real effort to put a stop to that. They had some success. I was not aware of any re-occurrence of that sort of operation during the Pearson years. However, I cannot say the same for the Trudeau years with regard to the administration of PFAA and other programs for the prairie provinces related to agriculture. I sincerely believe the Minister of Agriculture will not allow the situation to revert to what occurred in the forties and the fifties. However, it is cropping up again.

I ask the minister to examine this operation very closely. I hope this will include looking at the operations of one of his colleagues from the prairie provinces whose name I need not mention. The minister owes it to the employees and to the farmers who contributed the funds to give a full report, and to arrange for the referral of the subject matter of this legislation to the standing committee.

The minister and the officials in the three provinces concerned should do what they deem best with the $7 million or $8 million left in the fund. I leave that to them. We can offer suggestions which may or may not be worth considering. However, I believe the money should go to the crop insurance program. The minister in charge of the Canadian Wheat Board should not be allowed to get his hands on one nickel of it. We can go into the reasons for that when we finally get to the bill covering the grain stabilization program. Those are all the remarks I will make at this point. I am anxious to hear from the minister at this stage of the debate, and also in the committee.

Mr. Gordon Towers (Red Deer): Madam Speaker, from the evidence given by the previous speakers, including the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), it is clear that someone, or some organization, is responsible for the present mess in the PFAA administration. The point of this debate is to try to decipher who is responsible for it. If it is the Minister of Agriculture (Mr. Whelan), he will have to take full blame. If that is the case he will find that the smell of rotten eggs is like perfume compared to what will come out of this. I am sure the smirk on the face of the hon. member for Assiniboia (Mr. Goodale) will be on the other side before we are through.

If the Minister of Agriculture does not accept responsibility, it must lie in one of two other areas. One is in the realm of the minister in charge of the Canadian Wheat Board (Mr. Lang). If that is not where the blame lies, it has to be in the Liberal organization.

Reluctantly I rise to participate in this debate on Bill C-30. This bill should not have been put before the House while an investigation is being conducted into reported irregularities within the administration. No valid reason was given for presenting this bill to repeal the Prairie Farm Assistance Act now when important legislation directly affecting Canadians has been set aside.

I received documentary information which I turned over to the Royal Canadian Mounted Police. The Minister of Agriculture cannot say he is unaware of the current RCMP investigation into the PFAA for which he is responsible, or is he going to shift this responsibility to the Canadian Wheat Board?

[Mr. Benjamin.]

Not only was the minister's attention drawn to alleged unauthorized payments by the hon. member for Qu'Appelle-Moose Mountain on December 9 last, but the Solicitor General (Mr. Allmand) was questioned in the House three days later about the same matter. Last week the government House leader was requested to delay this bill until the RCMP had an opportunity to submit its report. He did not agree. I asked him the following question, as recorded at page 4719 of *Hansard*:

> Mr. Speaker, my question is for the government House leader. In view of the fact that four months have passed since the Minister of Agriculture was questioned about reported irregularities in the operation of the Prairie Farm Assistance Act during his term of office and that the House leader has said Bill C-30 which would repeal the said act will go before the House today, and in view of the fact that the RCMP investigation might not be completed for some time, would the government House leader agree to withhold Bill C-30 at least until the report on the investigation has been submitted?

● (1700)

The House leader would not agree to that request and, as a result, we now find ourselves spending time on legislation which might well be dealt with later without anyone being adversely affected.

What is the reason behind the minister's insistence on putting this bill through at this particular time? Surely the minister and the government, no matter how irresponsible they may be, realize that there was an element of wrongdoing within PFAA or the RCMP, in conjunction with the Auditor General, would not have decided that such an inquiry was necessary. Another important reality is that regardless of the findings of the investigation, and whether or not charges are laid, the minister will be answerable for the repeal of this act no matter when the report is submitted or on what date second reading is given to Bill C-30. I feel sure most members of the House would be willing to listen to an explanation of the supposed urgency attached to the repeal of the Prairie Farm Assistance Act.

While the minister in charge of the Wheat Board lives in the PFAA region it is not my wish, nor is it the intention of any member, to cast a reflection on innocent people but, unfortunately, until we know whether or not there were irregularities within PFAA a cloud hangs over every one of its employees. The purpose of the investigation is to find out who is responsible for the actions now being questioned. A line must then be drawn between what is right and what is wrong so that, if guilt is established, punishment will follow; otherwise public servants generally, as well as the public at large, will be without the protection which is their right.

We have to ask why any employee of the federal government would become involved in a situation whereby his integrity is at stake and he could be subjected to charges of fraud at the cost of his job. Who was the instigator of these alleged misdeeds? Who placed these people in such an unfortunate position? What were they doing, and for what purpose? Were they electioneering on behalf of the federal Liberal party on the instructions or advice of someone in a senior position, even someone from the other chamber—the highest court in the land?

Were they offered inducement to commit fraudulent acts? Is the minister running for cover by demanding that Bill C-30 be rushed through parliament now, or is someone

else within the Liberal organization, someone inside or outside the other place, calling the shots? These are some of the questions to which answers should be given before the Prairie Farm Assistance Act is repealed.

There is another point which must not be overlooked. Is there a double interpretation placed on the laws of this country as they affect those employed in the field and appointees to the other place who are paid by public funds too, both working for the government? If the persons in the field now being investigated were trying to sell Liberal policies, is it fair to prosecute those who were involved while similar performances by Liberal appointees to the other chamber are permitted to continue without question? Is there a law for the rich and a law for the poor?

A newspaper article which appeared in the Ottawa *Journal* on September 6, 1974, under the heading "The Senate—The Who's Who of Liberal functionaries," brings out some shocking facts and, with your permission, Madam Speaker, I should like to quote a few paragraphs from it. I read:

"I am, and have been since the fall of 1968, the chairman of the Finance and Treasury Committees of the Liberal Party of Canada, and in that capacity I have the overall responsibility for raising the funds for the federal Liberal party, not only at election time but also to maintain its activities between elections."

Notes from an address to a Liberal gathering somewhere in Canada? Not on your life. A speech by a new member of the Senate of Canada. Date? Jan. 10, 1974. The speaker? Senator John M. Godfrey.

In the past, appointments were used as rewards for past performance, usually on completion of a tour of duty. It is obvious from Senator John Godfrey's speech that it is now the oasis for present and not past performance. Look at the recent election campaign and you will discover that the Who's Who of the Liberal Campaign Committee resided in the Senate of Canada.

The national campaign headquarters of the Liberal Party of Canada lists Senator Keith Davey as the Co-Chairman with Jean Marchand of their national campaign committee. Also listed are Senator Gildas Molgat as the President of the Liberal Party of Canada; Senator R. J. (Ray) Perrault as Chairman for British Columbia; Senator Earl Hastings as Chairman for Alberta; Senator Jean-Pierre Côté as Chairman for Quebec and Senator Lorne Bonnell as Chairman for Prince Edward Island.

But it doesn't end there. We have Senator Al Graham as the President of the Liberal Party in Nova Scotia. Also Senator Richard Stanbury as past-president of the Liberal Party of Canada. Then we have a long list of Senators involved in the financing of the party as members and contributors to the committees, headed by Senator John Godfrey. Among those actively involved are John Aird of Toronto, Sydney Buckwold of Saskatoon, Douglas Everett of Winnipeg, Louis-Philippe Gelinas and Louis Giguere of Montreal, Harry Hays of Calgary, Dan Riley of Saint John, Irvine Barrow of Halifax and George Van Roggen of Vancouver.

It is an impressive list and it doesn't take long to learn how Pierre Elliott Trudeau has set about to reform the Senate. He has determined it is much better to have the taxpayers of Canada providing the dollars to operate his party than to take them from the party's war chest. At a time when the nation requires the very best in performance from the parliament of Canada, the Prime Minister is turning one arm of the institution into a Liberal party machine. It is a very sad commentary on both parliament and the objectives of men appointed to that body. Surely we should be able to turn to the Senate and anticipate something more than the partisan meanderings of a far-too-large coterie of its membership.

But if the Senate is to be developed into Liberal party headquarters and if those who accept appointment to that institution are willing to give their allegiance to their party rather than to the nation, Canadians should seriously consider—

The Acting Speaker (Mrs. Morin): Order. I fail to see the link between the article the hon. member is reading and the bill which is before the House. Perhaps the hon. member would return to the bill now.

Mr. Towers: Madam Speaker, I am trying to make the point that someone, or some organization, is responsible. It is well known that the Liberal organization has infiltrated the very roots of our society. Our democratic system has been undermined and brought to a very low level as this type of manouvering and manipulation of public funds continues without any apparent suspicion of impropriety. Why should our taxpayers, regardless of their political affiliation, pay for the operations of the federal Liberal party in this undercover way, particularly when one remembers that its leader has described himself as "a hell of a rich guy?"

We are aware that people in the middle-income bracket pay more taxes than any other segment of society, but few taxpayers in any income bracket would condone the policy of squandering tax dollars as a means of selling the Liberal party through its own upper chamber members. They hide behind their title and the so-called red chamber—their sanctuary. What sanctuary is there for Liberal party workers who through some form of persuasion—

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member again, but let me remind him that the title of the bill before us is an Act to repeal the Prairie Farm Assistance Act.

Some hon. Members: Hear, hear!

Mr. Towers: I am sorry, Madam Speaker, but had you been in the chair when the hon. member for Qu'Appelle-Moose Mountain spoke, and during the remarks made by the hon. member for Regina-Lake Centre (Mr. Benjamin), you would realize that an investigation is taking place into PFAA at the present time. We feel this investigation should be completed before the House is asked to debate the bill before us. We are trying to find out at this point who is responsible, who caused this investigation to be necessary? The people out on the prairies, the supervisors, are the ones who are going to take the rap. It is a shame if we have developed a democratic system which will allow those people to be prosecuted. At the same time there are people in the other chamber doing exactly the same thing, yet they are protected because they are all appointed by the Liberal machine. This is why we have a problem, Madam Speaker. Why protect one segment of our society but allow another segment to be prosecuted?

● (1710)

If the people of Canada do not demand that this demonstrated wrongdoing within a level of this parliament be stopped, and stopped immediately, they will live to regret it. This government is destroying the democratic system. The upper house should be purged of all those who carry on partisan activities under the guise of legislators.

Just as we must not cast suspicion on anyone until he is proven guilty, let us not overlook the fact that there are many who accepted appointments to the other place with a desire to carry out their legitimate duties, and they are not involved in Liberal fund raising activities or propaganda publicizing. How frustrating and belittling it must be for these sincere members to be compelled to bear the same

title, and be classed in the same category as those whose main, if not sole purpose is political. They receive the same remuneration, and no doubt their hours of legitimate work exceed those of the active Liberal party workers. These are the people who are responsible for the situation with which we are now having to deal.

When there is one rotten apple in a barrel, every apple is automatically suspected of taint. The dedicated, non-partisan members of the upper chamber deserve fair treatment. Public servants who have been found responsible for wrongdoing, or who will be so charged in the future, will be dealt with according to the law of our land, even though their efforts to aid the Liberal organization trapped them. Liberals who have been awarded appointments to the other place, and who do such a masterful job of manoeuvring and manipulating for that party, whether to settle a debt or not, do so under the protection of parliamentary rules, and are not faced with either questions, discipline, or punishment.

Any government which does not exercise justice at every level of public service—whether hired, elected or appointed to office—is not worthy of the power entrusted to it by the electors. As is usual, this government operates under the misapprehension that being a Liberal places a person in a secluded dreamland where impropriety, doubt, and the enforcement of justice dare not enter. When that thinking penetrates the public service, the danger point has been reached, and I trust the people of this country will be afforded the opportunity of demanding their rights.

Mr. Frank Hamilton (Swift Current-Maple Creek): Madam Speaker, the problem here is that the PFAA administration has become caught up in the dog fight that has been going on between the Department of Agriculture and the minister in charge of the Canadian Wheat Board. I must say this started almost the day that the present minister in charge of the Canadian Wheat Board was appointed to that position.

I can have some sympathy for what the long time staff of PFAA went through when they were all dismissed this past Christmas because I was caught up in the same sort of situation. I was caught in the dog fight between a minister of agriculture and the minister in charge of the Canadian Wheat Board, though I must say it was the previous minister of agriculture. I watched the government place political expediency above the best interests of the western producers one time too many, with the result that we parted company. This was at a time when, in western Canada, we had a four bushel quota at $1.25 a bushel.

Hon. members opposite have said that western Canadians are considered negative and critical because of their opposition to some government programs. They say we can spend our time much better co-operating with the government. At least that is what the hon. member for Assiniboia (Mr. Goodale) said. The hon. member for Regina-Lake Centre (Mr. Benjamin) wonders why they let the permanent staff of PFAA go and kept the casual staff. I suggest the answer is because the permanent staff knew a little too much.

[Mr. Towers.]

I have done my best in the past year to try to get some answers to questions posed today by members on this side, but I cannot get to first base. The one per cent levy was suspended on July 31, 1971. In the fiscal year 1972-73 after the act had wound down administratively, the travelling expenses of the PFAA group amounted to $1,000 per working day. So it is obvious that although they may have been winding down administratively they were certainly winding up politically. It was common knowledge in my area that members of the staff were very active in the last federal election. There is only one way to clear up any question in the minds of a good number of people, and that is to have a full investigation into the whole matter.

The last payments under this act amounting to some $5 million were made in 1972. In the period from 1939 to 1973 total payments under the act to farmers have amounted to $397 million. It is interesting to compare this figure, paid over some 34 years, with our grain exports this year. At the present time, compared with the same time two years ago, we are some 140 million bushels short. In other words we are $500 million short on exports this year compared with two years ago. This represents more than the amount paid out under PFAA between 1939 and 1973.

The PFAA staff were responsible for making payments under the grasslands incentive program and also for handling the LIFT program. Over the years PFAA programs have been operated mainly by the farmers themselves. They were the inspectors and they took information from their neighbours, and this legislation served its purpose well.

All of the goodwill built up over a period of 20 to 25 years has now gone out the window. As I have said, the administration, with few exceptions, was a credit to those involved. Let me go back to an incident that occurred a few years ago which, for political reasons, was blown up out of all proportions. It concerns a former supervisor in PFAA who was subject to an investigation under the act. The former member for Swift Current-Maple Creek had this to say of the commissioner's report:

> I would say it is a political report for more than one reason. Maybe the members of the committee do not know this, but I am informed that the judge who presided as commissioner, not in the capacity of judge but as commissioner, was a defeated Liberal candidate in the city of Moose Jaw. Not only that, his counsel, who acted for the government, was a defeated nominee for the candidacy of the Liberal party, and the second lawyer who acted for the government on behalf of the PFAA was a chief fund raiser for the Liberal party in the province of Saskatchewan for a number of years, and was chairman of the finance committee.

That is what this supervisor was up against. At the end of the commissioner's recommendation appears the following:

> I recommend that consideration should be given to placing the permanent staff of the Prairie Farm Assistance administration under the civil service of Canada in order to eliminate the possibility of political pressure being exerted on those entrusted with the responsibility of administering the act.

● (1720)

That recommendation was never implemented. Members of this staff who had served for up to 25 years were turned loose. Now we have a so-called group of casual employees, and the expense accounts have gone wild. The last annual report I received shows travelling expenses of $1,000 a day.

An hon. Member: If they are casual employees they must be going like hell.

Mr. Hamilton (Swift Current-Maple Creek): As far as I can make out, in the last two years the staff in Regina have been working in a make-believe world where the best of government public servants have nothing but despair. They have made plans, have had them signed, but then one of the minister's cronies thinks the plans may damage his standing, he buttonholes the minister and the plans have been scratched. And so another political debt is paid.

These Liberal party hacks and defeated candidates are becoming unique. They are becoming as important as they think they are. They can offer to open political doors, threaten public servants, and there seems to be nothing that can be done. This is nothing but a collection of Neros in the guise of public servants and assorted experts who do nothing but fiddle, scratch and jawbone away the time. I would like to know what these people are doing.

No attempt was made to modernize this act over the years. One of the criticisms was that the act could not be operated on an individual basis because it came under provincial jurisdiction and this would put it into the federal sphere.

The figures I look at show that we have between $9 million and $10 million left in the fund. I suggest this money should be transferred to the Canadian Wheat Board Pool account for disbursement, with the final payments to offset some of the approximately $30 million demurrage charges which accrued as a result of the west coast strike.

Any institutional setup develops interests of its own, but in its death throes the PFAA group has been solely concerned with its own status, its own funds, and jockeying for position. I raised the case of my constituent who was hauled before the commission to compare his situation with the present one. Certainly I think the present setup of PFAA is a perfect model of that mean little description of politics: who gets what, when and how? As I said before, the only way we can be satisfied is by having a full-scale public investigation into this matter, and I hope the minister will see fit to initiate one.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have been interested for sometime in prairie farm assistance administration, but I was never more interested than I was when the Minister of Justice decided to eliminate the operation of this program, supposedly on behalf of western farmers.

I have listened with interest for the last hour, and I have read the report of the commission of inquiry into the Prairie Farm Assistance administration held in June 1964. Apparently there were two points of view in respect of this legislation. The first was that it had a great deal to do in the playing of politics. It is also interesting to note some of the results of that inquiry.

The remarks of some of the knowledgeable members from western Canada have been of interest to me. It was indicated again that the Prairie Farm Assistance Act has become a political football. I have been around here long enough to remember the antics of Jimmy Gardiner, a former minister of agriculture. It was once said that he came the closest to setting up an operation like the political Tammany Hall operation in the United States. That is probably true. That reputation will have difficulty in surviving if we continue to allow the Minister of Justice (Mr. Lang) to play around with agriculture in western Canada.

What has been done by the Minister of Justice in agriculture has certainly not been in the interests of a well organized change in farming legislation for western Canada. Some of the things he has done have had an adverse effect on the whole operation.

Mr. Horner: And they have not been compatible with justice.

Mr. Peters: Of course they have not been compatible with justice. Any school that would have this particular minister as an instructor of any sort must be the most ignorant school in Canada. Not a day goes by when I do not hear some misjustice that is taking place in the whole field of western agriculture.

We are now faced with the disposal of some $8 million left in this fund. This legislation has been in effect for many years and has done a great deal to help farmers in western Canada. I was interested to hear the hon. member for Regina-Lake Centre (Mr. Benjamin) point out how very small amounts of money given under this act had helped so many farmers in western Canada survive. He pointed out that amounts such as $400 or $500 helped to maintain the very economy of farmers in western Canada.

We should be putting the money that remains in this fund into a fund that will continue to be of assistance to farmers in western Canada. This money has been collected from the farmers in those areas where grain was the main crop, and many of those areas have been high risk areas over the years. I am sure there will be emergencies in the future, many of which could be met through this fund. If the Minister of Agriculture (Mr. Whelan) would quit playing games with the Minister of Justice and administer this act as it should be administered, I am sure such an emergency fund could be set up so that whatever money is left could continue to be used to the benefit of those people who contributed originally to the fund.

Such a fund could be attached to the crop insurance program, or used as a separate fund for emergencies in western farm areas. The minister would get full credit for such a move, and would not be associated with the sole purpose the Minister of Justice has been trying to achieve for the past four or five years.

The last annual report I have indicates that no money was collected under this legislation for the 1972-73 crop year. It is interesting to note in that annual report that there were payments made in respect of the 1972-73 crop year. In Manitoba 910 awards were made amounting to $184,000; in Saskatchewan 5,223 awards were made amounting to $1,423,094; in Alberta 7,456 awards were paid, amounting to $2,150,755, and in British Columbia 668 awards were made amounting to $258,606, for a total of 14,257 awards.

● (1730)

An hon. member on the other side laughs, but let me tell him that those are farmers who have experienced a crop disaster and who have received assistance. He comes from an area where crop disasters take place occasionally, and I am sure that he would not expect other people to laugh at the plight of farmers in his constituency. I am sure he will not laugh to the extent of supporting the action of the Minister of Justice who wishes to eliminate this.

As I said, awards were given to 14,257 farmers in 1972 amounting to over $4 million. This is not a laughing matter. In my opinion it was of great significance to those 14,000 farmers in western Canada. Although they did not collect any money in 1972, there were awards, and I suggest that the minister should seriously consider whether or not he should drop the Prairie Farm Assistance Act and substitute crop insurance which is supported by the provinces and the federal government. He should consider whether he is not relinquishing his obligations and responsibilities to farmers in western Canada and transferring them to his colleague who is responsible for another portfolio. If that is what he is doing then I have little respect for him, as little as I have for the other minister who, I think, has played politics at a time when most of us thought that type of backwoods politics had disappeared.

It may be that the minister will want to add this money to a contingency plan as part of the crop insurance program. If he does that he will be substituting prairie farm assistance to farmers in Canada, and I give him full credit for making the effort to reduce premiums so as to enable a larger number of farmers to benefit from crop insurance. However, that will not be a satisfactory solution for farmers in any part of Canada until it is applied universally, and it cannot be applied universally until farmers can afford the payments, and in many areas that is not yet possible.

Other hon. members not representing western Canada are well aware of difficulties that farmers experience when various types of crops are destroyed by hail, frost and other weather conditions. Because of the diversification in Quebec and Ontario, farmers in those two provinces will not be able to take full advantage of crop insurance. Therefore it will not be available to many farmers in eastern Canada until this program is applied universally and until the levy is collected in the same way that it was originally collected under PFAA. I suggest that we are not really being fair to the people who impose this levy if we put the money into a stabilization fund because not only will a limited number of people be able to participate in the program on a voluntary basis but the program will be limited in its application.

A number of questions have been put to the minister which I hope he will answer. The minister has had dealings with labour and I know he has not been unsympathetic with regard to that sector of our working population, but I am shocked when I hear colleagues in both opposition parties indicate that there are a number of people whom we have employed under the act for up to 30 or 40 years who are being told to go on early retirement simply because we have not made the effort to provide them with other employment.

[Mr. Peters.]

When it comes to dealing with the grasslands program which is under the Minister of Justice, we understand that casual labour is employed because it is expected that they will spend their time working in his election campaign and therefore that is all right. I am certainly concerned about some of the other programs under which we have employed people over a long period of time, for example, under PFAA, particularly in senior positions, and gave them no protection under the public service act. In fact I would be surprised if any one employed under the Grain Stabilization Act was ever given the protection given by the public service act because, if that were the case, they could not be pushed around politically and that would not be the way to re-establish the Gardiner machine. I certainly hope that the minister will consider the point that I am making and that he will not play that game because it would not be in the national interest.

I have here the report by order in council, PC1963-1896 of December 21, 1963. An investigation was carried out by Mr. Justice Pope in which the names of the 12 or 14 people referred to by the hon. member for Qu'Appelle-Moose Mountain and the hon. member for Regina Lake Centre are mentioned. If you read the report carefully you will find that with one exception very little patronage was involved and few political shenanigans. One gets the impression that, except for some political interference, most of the employees under PFAA have been doing an excellent job and have put up a strong resistence to political interference. The report indicates that most of the employees are competent, diligent, and deserve to be employed in the public service until their normal retirement age.

The PFAA has been around for a considerable period of time. If my memory serves me right, about $15 million was involved when the grain stabilization idea was originally put forward. That amount was to go into the new fund which was to include several other funds as well. The carrot was added back in 1971, I believe.

Mr. Horner: It seems like a long time ago.

Mr. Peters: It appears that one has to fight the same fight continually for a long time to establish a reasonable and justifiable position. Back in 1969 a payment had not been made. Farmers had received out of the fund pretty close to $20 million. There has been no payment since 1971, and yet I understand that in winding up this act $7 million to $8 million remains to be disbursed.

● (1740)

I am not convinced that the transfer of this money to the stabilization act will be equitable, serve the purpose we intend, or provide the protection for which the levy originally created this money. I would much rather see the minister put it into a fund. I would much rather see the minister put it into an emergency fund which would be for use in the type of emergency we now have. I would like to see it related either directly or indirectly to the operation of crop insurance.

But I wonder how long it will be before we can really accomplish the things we wish to accomplish in terms of insurance for crops in Canada, particularly in various parts of Canada where the administration is different.

Normally in western Canada where there is a crop disaster of quite a large proportion it covers a large area and involves a number of farmers. In eastern Canada it can be in one particular crop, and wipe out that crop and have not much effect on other areas. It has been brought home to me very forcibly that crop insurance still leaves a great deal to be desired.

About five years ago in Ontario there was a disaster caused by weather conditions, and the Ontario government lent sums of $5,000 or $10,000 to replace crops so that farmers could stay in business. This year, with the cost of farm inputs being high, with a poor crop in Northern Ontario last year, the minister of agriculture in Ontario has put all those bills into collection, and he is using a collection agency to collect from the farmers. Crop insurance is still necessary for protection from disaster. I sincerely hope that we will continue to work toward providing a type of universal coverage which will cover not only crop economy but which will cover mixed economies.

I hope the minister will give serious consideration to sending this to committee. I agree that he has to be sympathetic with his colleagues, no matter how nutty they become. I think that he has to have some solidarity, but he really has an obligation to farmers as well. He should allow us to call witnesses. He should allow us to arrive, as representatives of farmers, at the best way of disposing of this fund.

I think he also has an obligation, in winding up the Prairie Farm Assistance Act, to provide for the staff being displaced. It is not as though this happened yesterday. I am looking at a press release dated July 16, 1971, when the then minister of agriculture, Mr. Bud Olson, announced the winding up of the PFAA, and he expected that to take place in May of the following year. We have been doing it for some time, and it seems to me that farmers would be better served if consideration were given to the best method of handling it, though not necessarily the most politically expedient for the cabinet minister who comes from that area.

Mr. J. H. Horner (Crowfoot): Madam Speaker, I realize that if the minister spoke now, the debate would close. I am very disappointed that some of the other members from Saskatchewan did not rise in their place and make an honest attempt to set aside the fears and the accusations which were expressed so vividly by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), the hon. member for Red Deer (Mr. Towers), and others here this afternoon, with regard to an act which has served western Canada and the prairies rather well for some 34 years. I would hate to think that the Act is now being swept under the rug in a cloud of suspicion that the books are not accurately audited, and that the RCMP is carrying out an investigation, as we were told this afternoon.

If we pass this bill now there is reason to believe that, for some reason or another, the RCMP will not become awfully busy, and that the investigation they had attempted to start will lie on the shelf somewhere and never be completed. One of the basic concepts of democracy is that the government of the day shall be accountable to the elected representatives of the people. We have seen no accounting at all here today.

The RCMP is carrying on an investigation. The Auditor General has photographed all the books of the PFAA. Now the government wants to hurry and repeal the act so that the whole examination by the Auditor General's department can be forgotten, and so that the investigation by the RCMP can be forgotten.

The hon. member for Assiniboia (Mr. Goodale), who was in the House this afternoon, all of a sudden disappeared. Apparently the speech writers the Liberal party hire could not prepare a speech in time for him to speak this afternoon. That may be one excuse he will give to his constituents. I do not know. Where is the hon. member for Battleford-Kindersley (Mr. McIsaac)? Why is he not speaking in this debate and strongly defending the government's purpose for repealing this piece of legislation? The backbone of democracy must be that the executive is accountable to parliament. We have seen no accounting here today. No one has even attempted to account.

The Minister of Agriculture (Mr. Whelan) is an innocent bystander with regard to the operations of the PFAA. All of the accusations made this afternoon by speakers from the NDP and from the Conservative party have been directed at the Minister of Justice (Mr. Lang), his manipulations and his delicate hand in the manoeuvering of the operations of the PFAA inspectors.

The hon. member for Assiniboia, who is a former executive assistant to the Minister of Justice, fled from the House when he saw that this was going to be a prolonged debate, when he discovered that he might be asked to do some accounting, and to rise in his place and make an attempt to defend the Minister of Justice.

Why do I say that someone has had his delicate hand in the operations of the PFAA? It has been made clear that the auditor has photographed all the books of the PFAA and that the RCMP is carrying out an investigation. There is, supposedly, $9 million in the fund. Bill C-30 does not mention any amount of money. Clause 1.(2) says:

● (1750)

> All moneys remaining in the Prairie Farm Emergency Fund immediately prior to the repeal of the Prairie Farm Assistance Act . . .

That does not say any specific amount. I suppose if we were following that we should have repealed the bill some years ago when there would have been more money than there is today. There would have been more after the 1974 election if the accusations made this afternoon are correct that some of the casual help spent as much as $1,400 in two weeks just prior to that election. At that time the director of the PFAA told them they were not to do work in that area, but they got authority from somebody else to do the work and spent the money.

It has been long established that the PFAA has been used as a political tool, a political machine. The name of Jimmy Gardiner has been mentioned this afternoon. He set up the PFAA to work just that way and do his bidding, whether that implied political doings or otherwise. Why do I say "political doing or otherwise", Madam Speaker? A lot of evidence has been put on the record this afternoon to the effect that most of the supervisors appointed were former candidates of the Liberal Party.

The Pope Committee which investigated some accusations made years ago pointed out that all of the supervisors were political appointees and that most of them were former candidates of the Liberal Party. All this has been said today, but no one from the other side has risen to defend the party. I can remember a former Liberal member for Assiniboia, who is now in the other place, Senator Argue, who used to speak at length about what a great tool PFAA was. If he were in the House today he would have something to say about the death of this legislation which served his constituency so well for 34 years. He would have something to say about why it can no longer function to provide a reasonable amount of security in hardship years for the area of Assiniboia. He often advocated in this House that the $800 maximum payment to each farmer be raised to $1,200, and at one time I believe he introduced a private member's bill to that effect. It would be as easy to justify raising it to $1,600 as it is to justify crop insurance in that amount.

There were faults in the act, and a good deal of politics was played in the administration of it. Those areas that had good crops claimed they paid a levy of one per cent to the PFAA and of course rarely collected anything. Those areas that were low yielding had a record of collecting nearly every year, or at least about three-quarters of the time. As a representative of one of the areas where high protein wheat was grown I can say that we felt the PFAA payment was merely a bonus for growing that wheat. We brought in protein grading, but there is no bonus for growing high protein wheat. You get the same price for it as for any other type.

Before this legislation passes, Madam Speaker, I think we should be told exactly how much money is in the fund, when operations under the Grasslands Incentives program and LIFT program actually ceased, and who authorized the people within the Regina, southern Saskatchewan and the Battleford-Kindersley riding to spend that money prior to the 1974 election. It certainly was not done under the authority of the director of PFAA. Have those accounts been paid and, if so, under whose authority? We certainly should be told far more than we have been told this afternoon.

I am disappointed at the government's attitude toward its duty to be accountable in the face of the accusations made here. In a democracy such as ours no one should be able to stand up in the House of Commons and make accusations of questionable administration and questionable handling of finances without someone in the government rising to set the record straight. There has been no attempt to do so thus far.

Mr. Whelan: Madam Speaker, on a point of order and just to set the record straight, on December 12, 1974, the hon. member for Yukon (Mr. Nielsen) directed a question to me asking if an investigation was going on. I replied, as reported at page 2189 of *Hansard*:

> Mr. Speaker, the inquiry is not completed, so far as I am concerned, but I was in the province of Alberta the day before yesterday and the preliminary reports contain enough information in my view to show that what took place was grossly overstated.

The Acting Speaker (Mrs. Morin): Order, please. This is a point for debate. Perhaps the hon. minister could make those comments when he closes the debate.

[Mr. Horner.]

Mr. Whelan: Madam Speaker, on a question of privilege, then, on behalf of the people—the innuendo that has been heard while this is before the court. It is before an inquiry at the present time. How can anyone really speak on that when an inquiry is going on? That is what I would like to know?

Some hon. Members: Hear, hear!

Mr. Horner: Because there is an inquiry going on—

Some hon. Members: Hear, hear!

Mr. Horner: In my 17 years in the House of Commons, Madam Speaker, I have never seen that kind of demonstration before—a deliberate clapping to attempt to use up the clock—to filibuster their bill so they will not be accountable for their sins. The minister stands up and says these investigations are before the courts. There is nothing before the courts. He is a member of the House of Commons, and every member of this House of Commons should advise in this debate today what they want the RCMP to investigate, what they want the Auditor General, who took the photographs, to look for in his investigation. It is their duty as representatives of the people to advise the RCMP and the Auditor General what to look for in their investigations. The government is not doing a very good job of accounting for their expenditure of the farmers' money.

An hon. Member: Six o'clock.

Mr. Horner: May I call it six o'clock, Madam Speaker.

Mr. Whelan: On a point of order—

Some hon. Members: Six o'clock.

The Acting Speaker (Mrs. Morin): It being six o'clock—

Mr. Lefebvre: I rise on a point of order, Madam Speaker. Just to make sure there is no misunderstanding and that this debate can continue at some other time, I should like to move, seconded by the hon. member for Renfrew North-Nipissing East (Mr. Hopkins):

> That this debate be now adjourned.

Mr. Horner: Madam Speaker, I have the floor. The hon. member rose on a point of order. He cannot rise on a point of order and move the adjournment of the debate until he gets the floor. I will adjourn the debate.

The Acting Speaker (Mrs. Morin): The hon. member for Crowfoot.

Mr. Horner: On a point of order, Madam Speaker, the hon. member, the whip of the government party, cannot move the adjournment of the debate without first having the floor. He rose on a point of order. I called it six o'clock, assuming that would be the adjournment of the debate.

The Acting Speaker (Mrs. Morin): Order, please. A motion is made by the hon. member for Crowfoot (Mr. Horner) as follows:

> That the debate do now adjourn.

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

Some hon. Members: Agreed.

Motion agreed to and debate adjourned.

The Acting Speaker (Mrs. Morin): It being six o'clock, under the provisions of Standing Order 26 this House stands adjourned, to resume at eight o'clock tonight. Accordingly I do now leave the chair until eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

LABOUR CONDITIONS

LONGSHOREMEN'S STRIKE—EFFECT ON FEED GRAIN SUPPLIES

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Bellechasse (Mr. Lambert) has leave to move the adjournment of the House under the provisions of Standing Order 26, for the purpose of discussing a specific and important matter requiring urgent consideration, that is the longshoremen's strike in the ports of Quebec City, Trois-Rivières and Montreal, which is preventing feed mills from getting their normal feed grain supplies in order to meet the feeding needs of the livestock, thus threatening the lives of thousands of farm animals.

Therefore the motion is as follows:

Mr. Lambert (Bellechasse), seconded by Mr. La Salle (Joliette), moved:

That this House do now adjourn.

Mr. Adrien Lambert (Bellechasse): Madam Speaker, I must first of all—

Mr. Ethier: I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Morin): I apologize to the hon. member for Bellechasse. The hon. member for Glengarry-Prescott-Russell (Mr. Ethier) rises on a point of order.

Mr. Ethier: Madam Speaker, I should like to point out that only one Social Crediter was there to launch the debate on this very important issue.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry, the hon. member knows that this is not a point of order.

The hon. member for Bellechasse may continue.

Mr. Lambert (Bellechasse): Madam Speaker, I must first of all thank my hon. colleagues—

[*English*]

Mr. Fraser: On a point of order, Madam Speaker, although there are more Quebec members on the Liberal side than on the Créditiste side, it was a Créditiste member who moved the motion tonight.

The Acting Speaker (Mrs. Morin): Order, please. Again, this is a point of debate.

Mr. Lefebvre: On a point of order, Madam Speaker, I remind the hon. member that this is not merely a Quebec question, it is a national question and where you come from does not matter.

Mr. Fraser: Madam Speaker—

The Acting Speaker (Mrs. Morin): Order, please. Perhaps the hon. member would like to make his point when it is his turn to enter the debate.

[*Translation*]

Mr. Lambert (Bellechasse): Madam Speaker, first I should like to say in answer to the point of order raised by the government member that I am quite sorry to note that in such serious circumstances, one would pass the time rising on points of order merely for the sake of the matter.

An hon. Member: Such dirty politics!

Mr. Lambert (Bellechasse): If we pointed out the absence of some members each time they are not at their place, we would have fun doing it.

An hon. Member: We could start right now, if you like.

Mr. Lambert (Bellechasse): Anyhow, the sitting was to resume at 8 o'clock. I was here and I noted that many members were ready to support my motion and I gratefully thank them, especially the member for Winnipeg North Centre (Mr. Knowles) and the member for Joliette (Mr. La Salle). This shows that the opposition at least is unanimously ready to consider a very serious matter and help the government to find solutions and correct a situation before it grows worse.

● (2010)

First of all I wish to thank the Chair for accepting my motion and allowing this debate on a very serious problem, which will hopefully help me to get to the bottom of the matter and find solutions more quickly. I wish also to thank my colleagues in the House for accepting the ruling of the Chair. Even though it is Hockey Night in Canada this evening, our national sport, they realized that we must look into the problems of Canada first and enjoy ourselves later. That is why I am grateful to them. So, Parliament is at work even on a Wednesday evening, which I hope will be appreciated by the Canadian people.

I had moved a similar motion on April 9, but the Chair ruled it out of order, while urging me to keep an eye on new developments. I was told that if the situation deteriorated, I might have the opportunity to raise this matter again. Since the situation has indeed deteriorated, I have deemed it my duty to raise it again today. I am glad that an hon. member from another opposition party, namely the hon. member for Joliette, also felt that this matter

should be brought to the attention of the House. This shows once more that Parliament, the highest authority in the land, must take its responsibilities when situations such as this seriously disrupt our economy and endanger this country's main industry, agriculture.

On March 19 last, an emergency debate was held in this House on the work stoppages in western ports. I took part in that debate in order to prove that although representing an eastern constituency, I share a concern for problems arising in western Canada. As I said before, all members should have common concerns in Parliament and we all have the same obligations to the Canadian people as a whole. Let me turn now to the subject matter of this debate, work stoppages in the Quebec ports.

For more than a week, the longshoremen's strike and its impact have prompted a number of queries during the question period. The bulk of the questions were for the Minister of Agriculture (Mr. Whelan). They concerned feed grain supplies at the Montreal, Trois-Rivières and Quebec City elevators, and also the feed mills' supplies in elevators and their ability to provide their customers with the feed grain needed. The minister's answers showed he was not overly concerned with the situation. As late as yesterday, the minister stated in answer to questions that there were adequate supplies in Quebec ports to meet requirements. Although I have no inclination to disbelieve the minister's statement, the situation prevailing today is different. I contacted the Bunge elevator in Quebec City around eleven o'clock this morning. As the president of the Farm Producers Union, Mr. Couture will testify, the manager told me he had in stock, at that time, exactly 62,000 bushels of wheat, 92,000 bushels of oats, and 65,000 bushels of barley. The Canadian Wheat Board had 12,500 He also told me he needs 175,000 bushels a day to meet the demand. Therefore, there are supplies for two days only. On the other hand, I am informed there are 498,000 bushels of corn. While it is always possible to feed cattle with corn alone, that will help them survive, but it may upset the balance of their diet entirely and cause losses to farmers.

At the elevators in Quebec City, last Friday, 60 trucks were loaded, 221 on Saturday, four on Sunday and 200 daily on Monday, Tuesday and perhaps today. Today, April 16, 50 per cent of the trucks loaded were from the Montreal area. This means that Montreal is getting its supplies in Quebec City. This means Quebec City is serving the whole region where production is the greatest.

Therefore, the situation is a tragic one. I am told that a hog producer was there at five o'clock on Saturday morning in order to get some feed. Only in the evening did he manage to get his load. He was crying with joy after he had loaded the feed he needed for his pigs which were beginning to eat one another. When animals start acting this way, they become a total loss for the producer. And this spells bankruptcy in a not too distant future.

The manager of the Bunge elevator in Quebec City told me that short of a miracle, he was not expecting a feed-loaded boat to dock in Quebec City before another eight days. One may readily see how precarious and serious the situation has become. He hopes that a barge loaded with grade 2-C barley now sailing on the Great Lakes can be unloaded at Quebec city even though its shipment is intended for export.

[Mr. Lambert (Bellechasse).]

Shipping by rail remains, but only 40 per cent of the millers are served by that means of transport, and delivery is very slow. It takes weeks once the order is put in, before delivery.

Members of Parliament have received many telegrams from millers and various farming organizations describing the situation as tragic and calling on Parliament to put an end to these work stoppages which intensify the economic crisis our country is going through at this time. Consumers are faced with price and tax inflation. This inflationary thrust generates unemployment. Unemployment brings about a reduction in gross national output. The construction industry is idling. Bankruptcies are multiplying. Society in general is worried about tomorrow. Nobody trusts anyone anymore. People wonder whether essential public services will be working tomorrow. That is the situation in which we are now living in this country.

With all the difficulties in securing feed grains Quebec farm producers are wondering, and rightly so, whether they should continue operating.

The Canadian Livestock Feed Board was set up for a very specific purpose, that is to ensure that there is an adequate stock of feed grains and enough storage space to meet the needs of farm animal producers in Eastern Canada and British Columbia, contribute to reasonable stability in product and facility prices, and help to equalize feed grain prices for Eastern and B.C. producers.

So the board must assess the needs for feed grains as well as the storage space required, negotiate and coordinate activities relating to storing, handling, transportation and prices of feed grains. Such is the role of the Canadian Livestock Feed Board.

● (2020)

That board comes under the authority of the Minister of Agriculture. He therefore is responsible for supervising its officials closely and ascertain that they carry out their duties efficiently by resorting to the necessary means in achieving the aims of the board.

I do not wish to blame the minister severely for the shortage of feed grains in eastern Canada; still, I must point out to him that since the fall of 1974, I have been concerned with what would happen in the spring of 1975 when the consumption of feed grains would reach its peak. I am well aware of this because of my experience as a cattle producer.

I foresaw higher consumption of feed this Spring because breeders kept more cattle over the Winter, the price of beef being low in the Fall. Consequently, there was a greater consumption of hay which created a real shortage and not an artificial one, and a fantastic increase in prices. Such is the situation. The Quebec cattlemen, the farm producers must use more feed grain due to the lack of hay to meet the needs of their cattle.

Given this, it was still incumbent on the minister to see that there should be more feed in Eastern Canada. That was obvious last fall, and many questions were put in this House, even to the minister responsible for the Canadian Wheat Board. The minister of Agriculture and the minister responsible for the Canadian Wheat Board have both guaranteed that supplies were normal and that there

would be nothing to worry about, even during the months of March, April and May.

On the other hand, I know that the minister of Agriculture has no jurisdiction on transport. He has to rely on the minister responsible for the Canadian Wheat Commission who, in turn, has no concern with the needs of the Feed Grain Board. That is why I propose, once again tonight, as I already did, that, as a means to achieve this objective, the minister of Agriculture responsible for supplying Eastern Canada with feed grain should have additional authority which should allow him to mobilize the necessary transportation means, when required to do so by an emergency situation, so that we should not be caught unaware and that farm producers of Eastern Canada and British Columbia should not be deprived of the feed grain they need to maintain production.

I believe that this kind of action would be a great step forward in the right direction, for the producers of Eastern Canada rely on the Feed Grain Board for adequate supplies, as grain producers rely on the Canadian Wheat Board for storing and selling their wheat at a good price.

The agricultural industry of Quebec plays a great part in the economy of this country, directly or indirectly.

Thousands of people rely on production, transformation or distribution of different products to live.

It is therefore a very important industry in the economy of our country, an industry that is of great consequence, and we, members of the Canadian Parliament, must take the means available to us to ensure its survival, in order to help prevent the unemployment rate from rising—it is already high enough—without forcing the farm producers who still have guts left to retire from business and live on social welfare.

I think, Madam Speaker, it is important for us to take the steps to ensure farm producers, those who still have enough courage to persevere in that essential industry, all that is necessary so they can count on the public power to restore order where there is disorder, in order that they have sufficient revenues to live reasonably. They do not want to become millionnaires, but they want to have a reasonable income which will allow them to live decently, to pay their debts, to support their families, to have their wives and children live in normal conditions, in a country where it is possible even for farmers to enjoy a good standard of living.

However, I acknowledge the right of the longshoremen to strike, but I think that at some point in a dispute, the right to strike must be weighed against the public interest, and in my opinion we have reached that turning point. In one year, twelve strikes have affected farm producers throughout Canada. So I think that we must have reached that turning point where the government must intervene and bring the matter under control.

If cattle is being slaughtered prematurely for lack of feed grain, producers will suffer a loss, consumers will not get a good-quality product and perhaps in a few months food supply problems might develop, with the result that prices will go up. Quality will go down and prices will go up. That is not the way we are going to fight inflation.

I have said before in the House and I express again tonight the opinion, about which I feel very strongly, that the cost of living adjustment of wages does not solve anything, prices keep on rising, there is further recourse to strikes for higher wages and we cannot escape the vicious circle. Another solution will have to be found.

Let us now consider seriously the number of strikes that occurred in Canada over the last year. That is an indication that the indexing formula did not solve much.

I notice that the discussion of problems we are experiencing seem to strike a member on the government side as funny. My God, if the Canadian people could see us behave that flightily, they would know why there are so many problems in Canada!

Mr. Lapointe: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Morin): The hon. member for Charlevois is rising on a point of order.

Mr. Lapointe: The hon. member for Bellechasse (Mr. Lambert) appeared to be pointing at me when he said that we tended to take the debate lightly. Madam Speaker, I strongly protest against that accusation, because we are here for no other reasons than to discuss this important matter—

The Acting Speaker (Mrs. Morin): Order. Again this is not a point or order but a point for debate.

Mr. Lambert (Bellechasse): Madam Speaker, I knew it was not a point of order. There was no sense in it being a point of order.

I suggest another way of giving more justice to workers. Parliament should adopt immediately a law to guarantee a minimum income for all workers. Such a formula would not be included in salaries and would not contribute to the price increase of things consumers must buy to meet their needs.

We live under a capitalist economy which is in a sorry plight and faulty in many respects. Therefore it is up to Parliament to reform it before it is too late.

That capitalist economic system will be reformed by order-loving men—that won't happen by itself—or it will be destroyed by others. Such a wave of strikes and demonstrations throughout this country should show us clearly that we must abandon beaten tracks, old methods, redress the wrongs so as to put an end to the exploitation of man by man, because that is also one of the causes for the strikes that keep on increasing.

We live in a society headed by a Parliament, by a government whose responsibility consist in providing for the common weal through respect for the legal rights of everyone.

Time has come for the authority to assert itself so as to replace disorder by order. All reasonable people have an eager desire for governments aware of their responsibilities and able to replace chaos by harmony—and most people still feel that way. One wants the rights of labour capital to be safeguarded, one recognizes the necessity for that. One recognizes also that the rights of money capital should be respected but one wishes both to work together in the best interests of this country. That is where the conflict lies, between those two forms of capital.

● (2030)

As long as those two forms of capital necessary for the country's prosperity will constantly be opposed, by no means will there be any social peace and security for the whole nation.

When the point is reached where workers are fighting other workers to deny them access to essential raw materials that would enable them to carry out their task, namely to produce food products to meet the needs of families, then it can be said that the situation has become extremely serious, that those who apply the divide and rule principle have achieved their end, and that time has come for parliament to introduce an emergency legislation and put an end to such situation as well as assure workers on strike that bargaining will be carried on until a final settlement is reached.

As a third means of providing farmers with necessary feed grain, I suggest—

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member, but his time has now expired. He would need the consent of the House to cary on with his speech.

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): The hon. member for Bellechasse has the floor.

Mr. Lambert (Bellechasse): —I suggest that grain stocks that are stored in the Saint Lawrence elevators and designed to the export market should be transferred immediately in order to meet the needs of our domestic market, until a more definite solution is worked out.

In conclusion, Madam Speaker, I must say that Quebec farmers, up to 1974, did not claim their rights too loudly. However, in the past few months the situation has changed, and they decided to demand efficient legislation from governmental authorities whenever a problem arises that might jeopardize the Quebec agriculture.

Quebecers consume each year $2.5 to $3 billion worth of products, and agriculture in Quebec produces only about $1 billion. So there is room for expansion.

Quebec obtains outside three quarters of its food products, in a packed, canned, ready-to-eat form. We cannot bear this situation too long, because there will be a time when we depend on other countries for our food.

Farm producers of Quebec have been faced with the problem of feed grains for years. At a time, it was because they were forced to pay higher prices than western producers. Their cost of production being higher, their income was reduced. This is why per capita farm income is lower in Quebec than in any other part of the country. The situation has improved a little. But in one year producers have had to put up with six strikes which crippled grain movement.

Now, Madam Speaker, in the face of such a serious situation, as sponsor of the motion, I wanted to stay serene but firm, and I can assure the government that I shall consider it as my duty to support a legislation designed to put an end to this labour dispute in all fairness.

[Mr. Lambert (Bellechasse).]

Mr. Roch La Salle (Joliette): Madam Speaker, it is not necessarily with pleasure that I am participating to this debate. It is a lot more by obligation and particularly because this situation cannot go on very long.

I too would nevertheless like to congratulate the hon. member for Bellechasse (Mr. Lambert) for having put forward a motion identical to the one we had planned. I would also like to congratulate him for having reminded the House of certain statistics which show clearly that the present supply is clearly inadequate. I will not recall them, since the hon. member fo Bellechasse has mentioned them in a rather accurate way.

I have met this morning, Madam Speaker, with the officials of the Farm Producers Union who have drawn for us a picture of the situation, a very sad, not to say tragic, picture. Of course, there are probably some hon. members who did not want to accept the qualifiers I have been using today, and for the last two weeks. For two weeks, Madam Speaker, we have been looking for answers. The official opposition has asked the minister many questions. I would like to thank my colleagues who have supported the idea of asking for a special debate. For the past two weeks, the Minister of Agriculture (Mr. Whelan), whose absence tonight I regret although I recognize it is justified because I know that he is a very busy man, has not answered our questions. According to the information given to us the farmers, situation is precarious indeed impossible.

I was surprised these last two weeks to hear the Minister answer our question and even those of a couple of government members who were watching the situation daily and even hourly, without realizing the immediate need for a concrete and fast action from the government. In view of the six strikes which have plagued the farmers in less than a year, work stoppages are becoming a tragedy for agriculture and this time we are talking about the Quebec farmers. One month ago we asked for a similar debate in view of a situation with no end in sight. Today we are supporting a very particular point but which I suppose is of considerable interest to government members as many of them live in la Belle Province.

But, Madam Speaker, no matter how many pieces of legislation this government has proposed or will propose they will definitively be ruined by these work stoppages. The benefits that could accrue to the farmers are definitively outweighted by the problems resulting from these strikes.

● (2040)

I repeat that for two weeks the minister has been saying that he is watching the situation very closely and that things are not as bad as all that. Yet, this morning, the president of the APU told me about the situation. He was very concerned and thought that things could not go on this way very long.

On April 12, the secretary general of the Poultry Producers' Federation of Quebec, Mr. Jean-Marc Kirouac, gave the alarm. This was last Saturday. He said that the situation was dramatic but added that in the Quebec area, the producers had succeeded in getting supplies because the picket lines had let the millers through on certain days. Mr. Kirouac's panic is certainly caused by the absence

from work yesterday of the grain elevator handlers because, without them, the millers cannot obtain grain even if they succeed in crossing the picket lines.

Mr. Kirouac also said that he had nothing against the strikers, that they were in their right since this is a legal strike. However, he held the government responsible for the situation because it is up to the government to solve labour relation problems so that no one may suffer from the government's inability to solve them. These are the words of Mr. Kirouac, a responsible man and an agricultural expert who could be compared easily to several members of the House.

He added that the millers must supply about 6,000 egg producers, some 15,000 poultry and turkey producers, 23,000 industrial milk producers, 5,000 plain milk producers and about 6,000 hog producers who cannot store grain for more than a week since they lack the space to do so. Consequently, they must get their grain from the ports on a regular basis.

Yet, Madam Speaker, this afternoon the minister said that it was possible for Quebec producers to go to Montreal even though he is well aware, but did not say that like the ports of Quebec and Montreal, on the few days when this was possible, served first their own customers, which prevented the others from obtaining supplies.

I therefore regret to say that the minister had either erroneous information or bad intentions. Knowing his honesty, I am more than willing to believe that he was ill-informed. But how could he possibly have been since within the government party there are enough Quebec representatives to inform the minister. He went on to add that he had no proof when the fact was mentioned that some producers, being excessively worried, had to lead their animals to the slaughterhouse. And the minister, in reply to a question I asked, said that such was not the case and that my observation was not justified. And yet, last April 13, in Beauce, for instance, an hon. member had surely informed him; he even asked questions of him, emphasizing and showing his concern. He questioned the minister and was not any more successful than we in obtaining an answer. For example, an inspector from the provincial Department of Agriculture disclosed that during last Friday alone a slaughterhouse in Beauce refused 40,000 hogs. And everywhere the same situation prevailed. The reason for it all was not that the hogs had not reached the slaughterhouse on time, but rather that the producers, in view of their concerns and impossible circumstances, obviously wanted to avoid the worst—famished hogs readily devouring one another.

These observations have been made to the Minister of Agriculture for more than two weeks ago, and we are scandalized to see that he was unable to give one or several replies or, at least, some type of assurance. The question was once again asked of him by one of my colleagues requesting some assurance that no producer would be lacking in supplies, to which question no one seemed to be willing to reply.

The minister did answer on a few occasions that in certain ports, there were some supplies. He seemed completely unaware that there is a lot of difference between the supplies themselves and the ready access to ports. Sure, in Quebec City, producers were allowed in freely for a few days to load their trucks, for silos were empty. But concerning supplies in the Trois-Rivières area as mentioned by the minister, which should account for a few more days supplies, there is no possible access to them. Producers are therefore prompted to turn not only to Montreal, but also to the province of Ontario, and especially the Prescott area for their supplies.

We already know what problems producers are faced with, problems of thaw and fines they have had to pay because their trucks were overloaded. The government of Quebec agreed yesterday to let producers load in whatever they could without necessarily being fined. Such is therefore the whole series of difficulties our producers are faced with.

The hon. member for Bellechasse (Mr. Lambert) mentioned that problem earlier and stressed its importance as we did within our own party, but we still expect a government answer to know on the one hand what is happening especially with respect to the agreement expired on December 1st, 1974, and on the other hand what solution the government intends to present this Parliament with in order to enable producers to get their supplies in a normal way.

Madam Speaker, those questions have remained unanswered for several days, and those are the reasons which led us to favour an emergency debate. We want the government to provide us tonight with the means of reaching a solution.

Maybe we shall be asked what solution we suggest. It is up to the majority government elected last July to provide this country with leadership and administration, and, therefore, to find solutions. God knows, Madam Speaker, how many solutions with respect to agriculture as well as in other respects we had during the electoral campaign.

An hon. Member: There still are some.

Mr. La Salle: Somebody says that there still are solutions. I sure hope we will know about them tonight. I hope so too for producers. I am not pleading for myself tonight; I said earlier that it was with great sadness that I felt I had to participate in an emergency debate because of the difficulties producers face.

An hon. Member: He is crying!

Mr. La Salle: No, Madam Speaker, there is nothing to cry about, as the hon. member says, and I know he will not cry over that, I know it well. In any case he sits on the other side of the House.

I think, Madam Speaker, it is urgent that government members who offer us solutions as valid as those they were talking about last July make them known to us tonight.

About supplies which the minister says are available to a certain extent and in a particular port, he is right, but he failed to add that accessibility is impossible. Where there is access there is no grain; where there is grain there is no access. The minister did not elaborate, yet he knows that. The consequences are serious for producers in view of added costs. The minister pointed out yesterday that he would be prepared to consider and examine additional costs and make a decision later on. The producer also

needs to know, that is part of his concerns. He is concerned about not being able to get what he needs for his stock. That is very important. One can also talk about an animal being changed or upset by an altogether different diet, and all that because of the feed grain shortage.

All hon. members who follow the situation closely, and several sit on the agriculture committee, know what I mean and the kind of concern or difficulty that means to producers.

In spite of all these reasons and arguments that have been discussed for two weeks, we are still waiting for a solution, a proposal that we are ready to support and, hopefully, a worthwhile one. We ask only one thing; an adequate solution acceptable to both parties, of course. It is a not a matter, Madam Speaker, of condemning the union or condemning the strikers. Their contract expired on December 1, 1974. Why should negotiations drag on and on? How can one explain demands which to some extent seem founded? No one seems to be able to find a solution. What are we waiting for? That the farmers be even more helpless, that the people demand a special government legislation?

● (2050)

I know full well, Madam Speaker, that the matter was brought up in government caucus this morning. The Prime Minister said, yesterday I believe, that he was looking into the possibility of passing special legislation. Bearing in mind the public interest, that of the farmers, when are we going to decide that the time has come to straighten out this mess? That is what we are waiting for.

Will we see a repeat performance of the public slaughter of cattle we witnessed not so long ago in Quebec? Within a couple a days, Madam Speaker, because of the inertia of the government, we will face once again that spectacle both disastrous and revolting, but justified by the inaction of the government which refuses to assume its responsibilities. That's that, Madam Speaker.

I spoke this morning to the representatives of the the Agricultural Producers Union and the Feed Mill Owners Association. It is clear that the producers cannot tolerate much longer that inertia and lack of concern on the part of the government towards Quebec farmers. The APU and the Feed Mill Owners Association sent an SOS to the government: Something must be done. We, of the opposition, especially those from Quebec, who are living through those difficulties, and those from other provinces who understand them—and we will have proof of it afer my speech, Madam Speaker—are also appealing to the government.

Personally, I feel obliged to condemn the present attitude of the government because it has failed to intervene. What is it waiting for? I trust the minister responsible or other hon. members will give us an answer in a little while. Is the Quebec representation not sufficient to prove to the rest of the party that the situation is critical? Sixty Quebecers have failed to convince the minister in charge to do something. That is embarrassing, Madam Speaker. It is indeed embarrassing that 60 members have not been able to convince the Minister of Agriculture (Mr. Whelan) and the Prime Minister (Mr. Trudeau) to do something in order to meet the pressing needs of the producers.

[Mr. La Salle.]

Therefore, I accuse the government, Madam Speaker, of having been thoughtless and weak in the face of their responsibilities. I accuse the government of cutting the Quebec producers adrift, even if this province has given much support to the government, it seems to me. I also accuse the Quebec members of unforgivable negligence towards the Quebec farmers, and at the same time, I urge the Quebec producers to remember in due time this obvious act of cowardice at such a difficult time.

Madame Speaker, it is hard to accept these criticisms. If the government intends to introduce a special legislation, I hope it will find another solution. They have some responsibilities with respect to negotiations which should be progressing and are not, contrary to what one of the ministers has said; the Acting Prime Minister did say on April 10 that negotiations were going along well, despite the fact that they had been interrupted since April 2. This information was false and the Minister of Agriculture (Mr. Whelan) kept on saying for two weeks that the situation was not as bad as suggested. Today there are opposition members, apart from the Quebec members, who are aware of the situation. There are also members on the government benches who are aware of the situation and I urge these gentlemen to be honest and to assume their responsibilities towards the farmers of Quebec. If ever they have wanted to provide answers and make a positive gesture which could breed results, the opportunity is theirs this evening.

Madam Speaker, I know that many speakers will rise after me. Before concluding, I urge the government to provide answers for producers, not merely for us, but for them through us. It is our duty to beg for such answers this evening and I venture to hope that the government will become more sensitive and less unconcerned that in the past two weeks.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I hope the Opposition members will allow me to deal with the statements made by the hon. member for Bellechasse (Mr. Lambert) and the hon. member for Joliette (Mr. La Salle), who jointly moved this motion.

I should like first of all to tell hon. members that the Minister of Agriculture (Mr. Whelan) would have liked to be in the House from the very beginning to take part in this debate. As hon. members doubtless know, this special emergency debate was agreed upon at the very last minute. A Cabinet member as active as the Minister of Agriculture never refuses an opportunity to make a speech on a Wednesday evening, and he had already accepted an invitation to have discussions with farm producers from Eastern Ontario. He has assured us that he will try and return to Parliament as soon as possible. Should this debate continue late into the night, he will certainly be able to take part in it.

As a matter of fact, I do not think there is a single member who would dare blame the hon. Minister of Agriculture for carrying out his duties and acting quickly in any emergency. In fact, Madam Speaker, as I was listening to the trivial statements made by the hon. member for Joliette, to his unfounded accusations and partisan remarks, I felt there was no need for the Minister of Agriculture to be here and listen to all this in order to

find solutions, for the hon. member for Joliette had none to suggest. To his credit, I must say that the hon. member for Bellechasse has at least tried, although with limited success, to make concrete suggestions for solving this problem. And I want to say, not only to the hon. members for Bellechasse and Joliette, but also to all other members present in this House, that the government has assumed its responsibilities in connection with this problem; in fact, we did not wait for this special debate in the House to act and, although this may not be very pleasant for certain hon. members of the Opposition to hear, I am going to quote figures and indicate steps which were taken by the government over the past few days to try and solve this problem.

● (2100)

I have something else to say, particularly to the hon. member for Joliette (Mr. La Salle) who persisted in putting all the blame on the government and especially on Liberal members from Quebec. The hon. members for Bellechasse and Joliette stressed the fact that they had spoken today to the president of APU, Mr. Couture. I also spoke with the president of APU today. But to make it a point of honour to have contacted the president of APU today is really, in my opinion, vacuousness.

I say that every day of the week several Liberal members of the House, be it the member for Frontenac (Mr. Corriveau), the member for Richelieu (Mr. Côté), the member for Laval (Mr. Roy), the member for Gatineau (Mr. Clermont), the member for Compton (Mr. Tessier), the member for Lac-Saint-Jean (Mr. Lessard), the member for Portneuf (Mr. Bussières), the member for Charlevoix (Mr. Lapointe), the member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard), and the list is surely not complete, are concerned about the problem. I see the hon. member for Sherbrooke (Mr. Pelletier) who is behind me. All those members look actively after Quebec farm problems and speak regularly throughout the week either to the president or to members of the APU executive.

I see the hon. member for Matane (Mr. De Bané) and the hon. member for Beauce (Mr. Carron) who took an active part with me and with other members I already mentioned and others who are not here tonight, in meetings with various farm groups from Quebec. Madam Speaker, the hon. member for Joliette has no lesson to teach us on that score.

Madam Speaker, I have only one other thing to say to the hon. member for Joliette. To hear him speak, one would think that the government is depriving farmers of their grain on purpose.

Mr. Boulanger: That is nasty.

Mr. Ouellet: According to the substance of his remarks, the government is to blame for its failure to take action. Little or no mention was made of the real problem—the real cause of this difficulty, of the longshoremen's strike in the Quebec, Trois-Rivières and Montreal ports.

Madam Speaker, to blame the government as a whole because this strike is not settled yet does not take a lot of imagination. Does that mean that the hon. member wants to deprive the workers in those ports of the right to strike? Does that mean that the longsshoremen should not have the right to strike? Does that mean that regardless of the workers' wage demands, regardless of their claims, the government should readily comply with them? They are irresponsible demands in some cases. Does that mean that every time a conflict may arise, since the interests of certain groups might be affected, the government should abdicate its responsibilities in an irresponsible way and settle at any cost the labour dispute?

The hon. member for Joliette did not have the smallest element of solution to suggest in this labour dispute which is nevertheless very important.

I think it would be advisable to enumerate the actions taken by the government these last days to bring elements of solution to the problem. We know that, precisely to help the supply, the government rerouted a ship so that it would unload its cargo at Prescott, a cargo of 825,000 bushels. More than 150,000 bushels have already been delivered to the province of Quebec. This is something that has been done in that field.

I would like to echo the remarks of the hon. member for Bellechasse (Mr. Lambert) who mentioned in his comments certain figures concerning supplies in the port of Quebec. I do not have any reason not to believe that the majority of those figures are exact, that is that a cargo has recently been unloaded in the port of Quebec, so that there are now some 719,000 bushels in the port. It is true that some 498,000 bushels of American corn constitute the most important part of that reserve.

And the hon. member is probably right in saying that this corn could be used but could also disturb the normal feeding methods.

Those bushels are there and they could be used if an agreement could be reached to allow the millers to cross the picket lines and go and get the grains.

I may say also that there are more than a million bushels in the Port of Trois-Rivières, some 211,000 bushels in the port of Sorel and more than 2,724,000 bushels in the port of Montreal.

I do not know if the hon. member for Dartmouth-Halifax East (Mr. Forrestall) ate corn before coming to the House, but I think he should better listen carefully to what I say, because we are trying tonight to find some elements of solution to this serious problem. And I agree with the hon. members for Bellechasse and Joliette, and with the other members on this side of the House who said that the situation was serious, that every effort must be made to enable the millers in Quebec to lay hands on the grains that are now stored in Quebec ports.

The figures I just gave show that there are grains in sufficient quantities for about a month. At the same time, I can assure the members that three ships are now sailing towards eastern Canada and St. Lawrence ports loaded with more than one million bushels. Which might also help to solve the problem.

However, I would like to remind the hon. members that yesterday, grain handlers in Montreal voted against a work stoppage. Of course, that alone does not solve the problem, but it is something encouraging, one less obstacle, and an important sign in the present conflict at the ports of Montreal, Trois-Rivières and Quebec City.

Madam Speaker, injunctions which have been taken and gave results have been mentioned in the newspapers and various sectors. In fact, an injunction was issued in Quebec City last week following which it was possible to move out considerable quantities of grain which were stock piled in the port of Quebec city.

I must mention that tomorrow, other injunctions are to be requested in Trois-Rivières and Montreal and I assure the hon. members that, in the discussions which I had today with the chairman of the UPA, I insisted on the fact that the UPA could, through its members, request injunctions and should at the very least try to make the longshoremen involved understand that there is some urgency and that they should show humanitarianism and allow the mill owners to load up the supplies which they need urgently. This matter was discussed with the chairman of the UPA and we shall be getting in touch again during the next few days to see what these next steps will bring about.

However, in replying to the completely unfounded accusations of the member for Joliette (Mr. La Salle), I must remind the hon. members that the government has established a service which loads hopper cars in Thunder Bay to bring grain to eastern Canada. Today, 59 hopper cars were loaded and are now headed for eastern Quebec. Steps taken by the government have brought about the assurance of 300 Canadian National hopper cars in at Thunder Bay for the exclusive use of grain bound for eastern Canada.

The Canadian National and Canadian Pacific have assured the availability of 200 hopper cars for other more remote points in eastern Canada. So I can state that through the government initiative and especially the work performed during the past few days to cope with that condition, it is entirely false to maintain, as the member for Joliette has suggested, that the government has not tried to cope with that difficulty while respecting the basic right of the longshoremen who are on a legal strike in the ports of Montreal, Trois-Rivières and Quebec City.

● (2110)

An hon. Member: Farm producers also have rights.

Mr. Ouellet: Obviously, Madam Speaker. To my mind, there is not a single member of parliament, who does not recognize farm producers some rights. That matter is not in question here. There is no need to make a series of speeches to pay homage to the farmers. I am sure we all agree on that.

I feel that the action of the government, through its agricultural policies in the last few years, has proved categorically and fully to what extent, under the leadership of our Prime Minister (Mr. Trudeau), it has endeavoured to better understand and help Canadian farmers.

I would even go further, Madam Speaker, and say that the government is fully aware of the situation. When there is a strike, the Prime Minister said so yesterday, there always comes a time when public interest must be weighed against the right to strike. The government and the cabinet are now looking into that matter. At this point in time, Madam Speaker, I doubt that it has time to legislate the strikers back to work in the ports of Montreal, Trois-Rivières and Quebec City.

To my mind, if the right to strike is to have any meaning, if it is to be of value to Canadian workers, the time and possibility to use it must be allowed those to whom it was given.

An hon. Member: You are not doing anyting.

Mr. Ouellet: I must say a few things to the hon. member who, I suspect, would like that right to strike withdrawn since he told us to assume our responsibilities without being specific about how to do this, unless it is to order the strikers back to work.

I am sure, Madam Speaker, that the Minister of Labour (Mr. Munro) and the Minister of Agriculture (Mr. Whelan), in close co-operation, have been watching the situation closely on a daily basis to ensure that the rights on the one side will not result disastrously in the suppression of the rights on the other. When time will come to act more drastically, if need be, the government will not shirk its responsabilities. It has acted often in the House by bringing in legislation to force strikers back to work. But that cannot be done without due consideration each time a conflict is brewing somewhere and causes some difficulties.

Eastern Canada farmers have to face problems. I have mentioned some measures taken by the government to alleviate them. I am confident that such provisions are, will be and will keep being applicable and that there will be no need to legislate in order to withdraw the right to strike from workers out on a legal strike.

[*English*]

Mr. Arnold Peters (Timiskaming): Madam Speaker, unfortunately we are having too many of these Wednesday evening debates.

Some hon. Members: Hear, hear!

Mr. Peters: It is an indication that there are a number of problems which this government is not facing up to before they becoming emergencies.

Some hon. Members: Hear, hear!

Mr. Peters: I was very interested to hear the Minister of Consumer and Corporate Affairs (Mr. Ouellet) defend the Minister of Agriculture (Mr. Whelan). That is certainly a switch. I think that in itself is worth the price of admission to tonight's debate. The minister agreed that there are certain problems and that the government has had to take some unusual measures to deal with them.

I am glad the hon. member for Bellechasse (Mr. Lambert) and the hon. member for Joliette (Mr. La Salle) proposed this motion which I believe highlights the fact that the government is not facing up to problems as they develop and before they reach crisis proportions. I do not come from the affected area but I imagine the problem is neither as bad as has been stated by the opposition nor as good as has been stated by the Minister of Consumer and Coprorate Affairs: the truth lies somewhere in between.

● (2120)

I was surprised to hear the minister say that the opposition should suggest solutions to the problem. I remind him that four or five years ago we established the eastern feed grains board for the purpose of guaranteeing supplies to eastern Canada. If the minister knows the provisions of the act under which we can bring grain from the Lakehead to the eastern market and have the federal government pay the eastern feed grains board for the transportation costs, he will know what we are concerned about.

Not long ago we dealt with difficulties concerning longshoremen. Some members tonight have suggested that since the government intervened on the west coast, it should intervene on the east coast. I remind the minister that many of the problems in the ports of Montreal, Three Rivers and Quebec are the result of government intervention in the last contract negotiations. I am referring to the way we settled the longshoremen's strike. When we sent the workers back, we locked them into a contract which was to run to the end of December. Not all ports were involved. The port of Saint John was not involved in that return to work legislation! workers there, in early December, negotiated for a cost of living increase and that settled the problem in the area. The legislation ending the eight-week wildcat strike in 1973 did not allow for the reopening of the contract. That is why we are facing problems at this time connected with cost of living escalator clauses.

Surely parliament will not be asked to intervene in every labour dispute. Some members suggest that strikes are not in the national interest. I suggest that not all strikes involve the national interest. Obviously, the strike we are considering affects a number of farmers in Quebec who are supposed to be serviced by the eastern feed grains board. After all, we set up this board so that it could provide, free of charge, assistance with feed grains. The government, if it so wants, can move grain to eastern Canada by rail. That movement need not cost the farmer a penny; the government can pick up the tab.

The problem we are discussing concerns, it seems to me, Quebec in particular. It concerns, more especially, the major ports, Montreal, Quebec City and Three Rivers—perhaps I ought to say Trois-Rivières—and, as well, Baie Comeau. The guarantees have been given. The machinery for settling this problem exists. Is this, then, a matter involving the national interest? Is there not legislation for dealing with it? Clearly, what has happened has inconvenienced farmers, distributors and producers who need feed grains for their operations. But the government can supply that feed grain from Thunder Bay. The mechanism exists for providing it directly to those who want it.

It is easy to criticize the government, to be wise, with hindsight, and to say we should have adopted a different or a better feed grains policy or we should have provided financial assistance. I know that what is happening may be causing hardship to certain farmers. I also know that most people are not overly concerned about labour disputes affecting others. Only when a dispute affects one directly does it become a national issue: that is the attitude of many people. I remind the House that when it intervened only one year ago to settle the dispute affecting Montreal, Three Rivers and Quebec and eliminated a cost of living clause from the contract, it sowed the seeds for the present strike which is affecting the same ports.

Recently we were involved in some difficulties concerning longshoremen and management. Allow me, Mr. Speaker, to read an extract from the Montreal *Gazette* of October 29, 1974. The headline of the article is "Longshoremen, management talks on new contract open." A paragraph of the article reads:

> "The port of Montreal is doing well and the other two are having difficulties," says one shipping agency president here. "Why should we pay for the others? Let each one stand by itself and if one port has trouble—well, then, just close it."

People who have experience with contract negotiations and have dealt with management know only too well that the general attitude is, "Well, Jack, we are all right in Montreal and to hell with you in Trois-Rivières and Quebec City." That was the management's attitude in dealing with longshoremen, and it did not help. We know that Judge Alan Gold was appointed as mediator in the Quebec longshoremen's strike and submitted his report on March 19. The report was accepted by the MEA, but rejected unanimously by the International Longshoremen's Association on March 27. Shortly after that, the Quebec minister of agriculture, Rene Toupin, sent a telegram to the Minister of Agriculture (Mr. Whelan) asking for an injunction ordering the 2,200 longshoremen back to work so that grain supplies to Quebec farmers would be assured. Let me point out that longshoremen are not primarily concerned about the movement of grain. One wonders why management wanted an injunction ordering the longshoremen back to work when the longshoremen were not involved in the feed grain contract.

In the present case, the longshoremen's union says that the wage proposal is not bad. It amounts to a 57 per cent increase over the three-year life of the proposed contract. So the longshoremen are doing better than members of parliament who are working on the basis of a four-year contract, so to speak. The most contentious issue, say the longshoremen, is job security. Perhaps hon. members should look at that clause because they may need to be as concerned about job security as the longshoremen.

At the present time, when we are seeing technological changes, the mechanization of industry, advanced work techniques, and so on, we have not been able to establish a satisfactory way of resolving labour-management problems. We in this country have not been able to do anything about establishing any form of industrial democracy in the negotiations we conduct between employers and employees. In the case of the longshoremen they point out that the wage increases that have been offered—and they are not bad—can be easily removed if the payment of those wages is on the basis of possible deductions from the total annual guaranteed income which they had previously, and which they were able to improve by working overtime, when necessary, without losing any of their yearly benefit.

● (2130)

Under the terms of the Gold proposal, by working overtime they were, in effect, having this deducted from their annual guaranteed income. Therefore they might not be any better off at the end of the year than they were

previously. The Gold solution really applied to the hours of work and was satisfactory. However, it did not solve the problem of the technology being used on the waterfront. Although we have been faced with this problem at least twice a year, we have not arrived at any solution.

I do not believe that, every time a segment of the population gets into trouble, parliament should be asked to do the negotiating. If we do, we will get into the kind of trouble we now have with this longshoremen's strike. The problem is that when we settled the longshoremen's strike last year we did not take into account the rising cost of living. Therefore these people were worse off after we settled their contract than were their fellow workers in St. John's who were able to negotiate a cost of living escalator clause before the end of their contract. That eliminated the problem for those people. If we pass legislation we will continue to have that kind of problem. I am very concerned because we are not able to handle the problem. We are spending a lot of money. We established a board to regulate. However, we are still running into this kind of problem.

The Eastern Feed Grain Board has the right to bring in grain from Prescott, corn from the United States, and grain from Thunder Bay in any mix it wishes. The Feed Grain Trade Assistance Act will pick up the tab for those shipments, but they must be made by rail as opposed to bringing them in by boat.

I suggest that the government is not blameless in this instance. If the feed grain agency is not working right, we should know it. The Minister of Agriculture was asked about this. He should have been prepared four or five days ago to give a detailed description of the efforts being made by the two or three agencies directly under his control. That information should have been made available to all members of this House. It is not good enough to write it out for the Minister of Consumer and Corporate Affairs to give to the House when there is an emergency. That information should have been given to the House when it was requested. All members are interested in heading off the problems we face, and we are going to have a number of these problems.

The Postmaster General (Mr. Mackasey) is here this evening. I suggest the next problem will be in his department. But the problem is again being attacked in the wrong way. It has been decided that by using the position of the minister the problem will be solved. However, if there is going to be a problem, parliament should know the position the government intends to take so that it can try to do something about negotiating that problem.

In every strike in which the federal government has been involved, the cabinet has put more money into the settlement rather than setting up legitimate eye to eye negotiations so that those on both sides of the fence know exactly where they stand. We have already legislated the longshoremen back to work. It seems foolish to compound the difficulty by again sending them back to work.

What do we do now? Do we send them back to work with Gold's suggestion for a three year contract, 57 per cent across the board, and add to that a cost of living clause, or do we negotiate what kind of jobs the longshoremen will do, what kind of work in which they will engage, and the type of responsibility the NEA will have to the employees? Are we going to negotiate the details of contracts? If we do not do that we will get into the same box we got into last time.

The reason for this debate is that the government has not taken parliament into its confidence. We have not been asked for our views on how to solve this particular problem. Some useful advice will come out of this debate. It would have been free for the asking if the government has sought it before the problem developed. When questions are asked in the House about government departments or agencies, the ministers responsible should give full reports.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I do not intend to take very long. I know that the hon. member for Vancouver South (Mr. Fraser), and others, want to participate. Nor do I want to address myself too deeply to the specific merits of the strike in Montreal, Three Rivers and Quebec.

I usually agree with the hon. member for Timiskaming (Mr. Peters) on a philosophical base. I do so again this evening. If I had to agree with him on a factual base, I would know a lot less about the strike than when it first occurred. The fact is that there has not been a legal labour strike in the port of Montreal since 1966. I do not think the same can be said about many other ports in the world.

The last time we legislated a settlement in the House of Commons that involved the ports of Montreal, Trois-Rivières and Quebec, it was to bring to an end an illegal work stoppage on the part of the workers undertaken for reasons best known to themselves, when they decided to ignore a collective agreement which had been signed in good faith. They decided that the quickest way of settling the dispute, which could have been settled through a grievance procedure was simply to walk off the job. That is hardly the type of action that is in the best interests of the labour movement or industrial relations in general.

There are very good reasons why I do not want to get involved in discussing the problems of Montreal, Trois-Rivières and Quebec, which some people know. I have had a close relationship with the Port of Montreal as a member for Montreal, as Parliamentary Secretary to the Minister of Labour, and as a Minister of Labour. In each of those roles I participated in the disputes that were occurring there in the early sixties as the industry began its transition from being a labour-intensive industry to the capital intensive industry it is today. Whatever the hon. member may say about industrial democracy, and about employers in the Port of Montreal, there is one thing he cannot take away from those employers; the fact is that when they found it necessary to reduce the work force by 800 people they at least paid each and every one of those workers a $12,000 indemnity. I should like to see more employers, including the government, put that into practice.

● (2140)

Some hon. Members: Hear, hear!

Mr. Mackasey: The hon. member for Timiskaming is perfectly right when he says that each time parliament has to settle a legal strike we are weakening the collective bargaining process. He is a legitimate labour representative; he understands this, as I think most of us do, and I

agree with him wholeheartedly on that. But the whole system is under review by the public for a variety of reasons. One of those reasons is the tendency of labour, and sometimes of employers, to ignore the law of the land and to take the law into their own hands to settle disputes which could be settled by means of the channels provided in every collective agreement in the country.

The hon. member referred to the Post Office. I do not intend to use this debate to talk about the Post Office, though I may say I am certainly not as pessimistic as is the hon. member for Timiskaming, and as a number of other members appear to be. Indeed, I am optimistic we shall get an agreement in the Post Office without a strike, because I believe that 99 per cent of the people who work in the Post Office are decent, law-abiding Canadians who simply want to work in dignity and peace, and who fully intend to do so. It is my responsibility as Postmaster General to see whether we cannot clean out of the Post Office those bully boys who tend to dominate the 99 per cent. It is my responsibility to help do this, and that is exactly what I am doing.

As to the question of feed grain, the hon. member for Joliette (Mr. La Salle) made a point, as did the minister. It was good, honest debate on the question of whether there is sufficient feed grain in the elevators or not. If there is not, then certainly there should be. But the more fundamental question is this: if the feed grain is in those elevators, what is preventing merchants from going there to obtain their feed grain if they wish to do so? The fact is that they are being prevented in some instances by people who believe that the way to settle disputes is through violence.

Picket lines are a legitimate expression of freedom, an informational device which should never be banned under the laws of this land as some people advocate. At the same time picket lines should not be used as a means of bullying decent citizens who wish to exercise their rights and follow their normal activities. It would not matter whether all the elevators in eastern Canada were chock full of grain if the Province of Quebec, where the injunction has been served, does not have the courage to instruct its police forces to provide the necessary protection for the people who want to go into these elevators and acquire the grain.

It is ridiculous, listening to the radio, to hear the Quebec deputy minister of agriculture seeking to shift responsibility to the federal government when it is a provincial responsibility to protect people after a court has decided, on hearing the evidence, that an injunction should be granted.

I shall not get into the argument about the three ports where these strikes are occurring other than to say that the longshoremen are on strike legally. I would be the last to deny them that right. In this area I share the sentiments of the hon. member for Timiskaming. After all, I can remember as far back as 1965, which is not such a long time ago, when the men had to drink out of what amounted to garbage cans; when there were no facilities for them to wash their hands on the waterfront, when people were hired on a daily basis, and when they had to bribe officials in order to get a job. That is all gone and, if it is all gone, it is because employers, as well as employees, have recognized the need for change.

We now have an enlightened management in the ports at Montreal, Trois-Rivières and Quebec—a very enlightened management there. This does not mean employers are right in this case, nor does it mean they are wrong. All I know is that the best brain as far as port problems are concerned, Alan Gold—he is not a mediator, as the hon. member told us; he is a conciliation commissioner—was named by the Minister of Labour (Mr. Munro) to endeavour, on the basis of his experience, to come up with what he believes to be the best solution to the problems of the port, in the interests of both workers and employers. I do not intend to pass judgment as to whether his solution, guaranteeing 1,600 hours to workers, $13,000 a year to work in Montreal, is sufficient. That is not a judgment for me to make. It is up to the workers themselves whether they feel they should accept or reject a guaranteed annual income of $13,000. I simply think a lot of people wish they had that guarantee.

Some hon. Members: Hear, hear!

Mr. Mackasey: I do not disagree that they have the right to reject it if they feel that to do so is in their own best interest—after a strike lasting two, three, four or five months they may conceivably end up with a better settlement, possibly $500 more. That is up to them.

The point which has tempted me to participate in this debate has nothing to do with that particular aspect. It is interference by forces outside this country, namely, one Mr. Gleason, President of the International Longshoremen's Association, from the City of New York, who, from his headquarters there, has decided to dictate to the longshoremen of this country what is in their best interests. I say to Mr. Gleason: Stay home and mind your own business.

Some hon. Members: Hear, hear!

Mr. Mackasey: Let the Canadian labour movement solve its own problems. If Mr. Gleason had his way he would lock up the Port of Toronto despite the fact that there is no right to lock it up. The ports of Trois-Rivières, Quebec and Montreal are on strike legitimately. The same Mr. Gleason is interfering with the ports of Saint John and Halifax, and if he has his way he will lock up all these ports in order to divert work to New York where, incidentally, he accepts the same contract as he is recommending the longshoremen of Montreal to reject.

● (2150)

Sometimes you have to do hard things to help your friends. I have not been happy in the last two weeks taking what has been described as a hard line in the Post Office. But what has it been? It is simply that you respect the law, that you respect a collective agreement, that you respect your own signature; that if you have an honest difference of opinion on the work site—and that happens daily—you take advantage of the grievance procedure and obtain justice in that way. If in the public service the grievance procedure is too slow, and it is, then we as a government and as a parliament have a responsibility to see that justice is done by speeding up the grievance

procedure. I hope that this is one of the recommendations that comes out of the joint committee of the Senate and House of Commons when they complete their hearings.

As the hon. member for Timiskaming said, there are many other recommendations that are needed to bring collective bargaining in the government into the twentieth century, instead of it remaining in the nineteenth as it is at present in too many respects. I agree with him, but you must be realistic and work within the framework that exists. Sometimes you have to substitute goodwill for legality. That is the only way to bring peace to the post office until the legislation or the rules under which they have to bargain in the interval are changed, hopefully for the better, depending on the wisdom of the people who participate on that particular committee.

Coming back to the matter of feed grain, there is feed grain and there will be feed grain in sufficient quantities for the farmers in the east. The question is: Will the people be able to obtain it in a peaceful manner? That will depend upon the ability of government, federally and provincially, to see that the law of the land is enforced for the good of democracy, which is the reason we are all here.

I just want to say that it is a sorry day when an international president, in this case of the longshoring industry, can dictate to law abiding longshoremen in Saint John and Halifax—

Mr. Forrestall: They did not listen to him in Halifax.

Mr. Mackasey: No; Halifax had the courage to tell him where to go, and I am doing the same thing tonight. If the longshoremen in Saint John understand, they will look after their own interests and tell him where to go as well.

I get excited about this, Mr. Speaker, but there was an award obtained from an arbitrator in Saint John forbidding the longshoremen to pick and choose among the ships in the harbour in Saint John. That is an approach that will eventually kill the port of Saint John just when it is becoming known around the world as one of the more productive ports in the world, with a good work force, deep water, good facilities, and the ability to handle containers. Yet we have this gentleman from New York telling the industry at Saint John: "Refuse those ships because I, your international president, tell you to do so". I am telling the people of Saint John that if they know what is best for the labour movement as well as for themselves they will tell Mr. Gleason to stay in his ivory tower in New York.

As far as the strike in Trois Rivières, Quebec and Montreal is concerned, as the hon. member for Timiskaming has said, it has to be settled. Each and every time we settle a strike in parliament we conceivably weaken the industrial relations process, but not nearly to the degree it is weakened when public opinion gets fed up with people taking the law into their own hands. The purpose of parliament is to take decisions even when they are unpopular.

Mackenzie King, who knew as much about labour as any of us living today, said that when private rights become public wrongs then it is time for members of parliament to act on behalf of the public, even if temporarily it removes the rights of private groups—in this case the MEA and the longshoremen. Sooner or later if they cannot settle their dispute, in the best interests of the public we will have to settle the dispute in parliament, even if we have to nationalize the ports, seize the MEA, take over the longshoremen and dictate the conditions of operation through a trusteeship, if that is necessary. But I do not think we will need to go to that extreme; I am sure there is a settlement somewhere in the offing.

However, I do know one thing. In order to make the economic forces even, which is really what collective bargaining is about, it is imperative that the strike be limited to those ports that are legally struck, which are Montreal, Trois Rivières and Quebec, and not extended to Halifax, Saint John and Toronto, which are not in a position to strike legally, and which are according to the injunction which I have read tonight for the first time, not in a position under their collective agreement, according to the arbitrator who granted the injunction, to pick and choose which ship they will discharge or load in those particular ports.

If everyone respects the law and respects injunctions which the court finds necessary to make, if the longshoremen at Saint John do what the longshoremen at Halifax do and tell this American fink that they belong to his international union, that they are proud to be members, but that they are Canadians and want their own autonomy, that they do not need him to tell them what to do and thank you very much, that they will remain open and service their customers and retain their reputations as good ports, I am sure there will be a solution found to the problems of Montreal, Trois Rivières and Quebec.

Mr. Deputy Speaker: Is the hon. member for Calgary North rising for the purpose of asking a question?

Mr. Woolliams: Yes, Mr. Speaker. First of all I should like to congratulate the Postmaster General (Mr. Mackasey) on his very able speech.

Some hon. Members: Hear, hear!

Mr. Woolliams: Has he any formula—I listened to him very carefully and he came almost to that conclusion—under which a union like the longshoremen's union which deals with all ports could arrange for all its contracts to become due at the same time, so that if there were a settlement in Vancouver there would be a settlement all across the nation from coast to coast? This would mean we would not have a strike going on at ten or 12 ports at different times throughout the year. I ask this question rather selfishly. I am from western Canada, and not only is Quebec suffering tonight but grain is not moving out of the prairies to supply cattle and poultry in Quebec.

Mr. Mackasey: Mr. Speaker, the hon. gentleman has asked what we used to call a $64 question. I have always said that industrial relations are human relations. Just as you cannot legislate a happy marriage, you cannot legislate industrial peace. You have to work at it, and sometimes we are rather intolerant of that fact, and this is one of the problems.

One of the encouraging things that I have noted about this parliament is that we do not always tend to blame the labour movement for industrial strife. We forget that one of the problems in Vancouver was what we call the stuff-

ing and unstuffing of containers. We talked as though the union were attempting to obtain that right when in reality they had that right. What the strike was about was management's determination to remove that right. You remove the right through collective bargaining by a fair exchange.

The problem in the three Quebec ports, if I may say so, stems from the fact that last year some 1,500 longshoremen were not remunerated to the extent of some $12,000. They were guaranteed, however, 40 hours' pay weekly if I recall, regardless of whether or not they had to work.

● (2200)

This is a very generous contract like the one signed in New York by Mr. Gleason, but I have no way of knowing whether the contract is viable. It is suggested that this new contract creates a financial burden that will make it impossible to maintain operations, particularly in view of the vagaries of economic conditions around the world. It is very difficult to maintain the volume necessary in order to maintain this type of contract.

Let me say specifically that I believe there are too many units. We must remember the strike of the blue collar workers which caused so much havoc and that this was due to the number of public service departments involved. As far as I am concerned, the unit was spread too far across involving too many departments of the government, increasing the opportunity of the workers to defy the law and injunctions. The injunctions were not for the purpose of disseminating information but, rather, to harass the people who would otherwise have been pleased to cross the picket line, mind their own business and do a day's work. In other words, if everybody obeys the law, then a strike will have minimum effect, not doing too much damage other than to the parties that find their differences too great to reconcile, therefore leading to a strike.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I should like to begin by paying my compliments and the compliments of my party to the hon. member for Bellechasse (Mr. Lambert) for introducing this motion today. In view of the remarks of the Postmaster General (Mr. Mackasey) in the last few minutes, I think I should invite all hon. members of this House to join me in expressing appreciation to the hon. member for Joliette (Mr. La Salle) in joining the hon. member for Bellechasse in presenting the motion, giving us the opportunity to debate a matter which every member of this House who is sincere about serving the public interest of Canada cannot help being concerned about. I want to say, through you, Mr. Speaker, that there is a great deal of truth in what the Postmaster General has said, and I hope much of what he said will receive approval from both sides of the House.

I think it is important that we remember that the subject which brought on this emergency debate tonight is not used as an attempt to debate the issues between the Maritime Employers' Association and the longshoremen. This motion is not an attempt to debate the question whether longshoremen in ports other than those that have been struck have been obeying the law or carrying out the terms of their contracts. There will be time enough to debate that matter.

The Postmaster General quite properly alluded to certain things going on which are wrong and about which we all know. The point at issue tonight, I am sure all hon. members agree, arises from the fact that the producers in the province of Quebec have come to members of parliament on all sides of the House stating that they need help. This motion introduced by the Créditiste party and by the hon. member for Joliette on behalf of my party did not come out of the blue; it came as a direct request by the producers of the province of Quebec for help. In fairness, they did not come to members on just one side of the House, as the Minister of Consumer and Corporate Affairs (Mr. Ouellet) appeared to suggest. That minister had quite an enjoyable time for a few moments naming the members—and he gave their ridings—who had discussed these problems with representatives of the producers in Quebec. Let it be very clear to everyone in the House that these producers felt it necessary to come to members on this side as well. Just as I am sure members on the government side listened, members over here listened.

The question to be answered in this debate is whether the government has satisfied us that the complaints of those producers are being met by some sort of government action, or whether in fact the complaints are well founded. I listened extremely carefully to the Minister of Consumer and Corporate Affairs and made notes of his points and the steps he said the government had taken to allay the fears of the people from his province who came to him and to us, and in looking at that list I hope the minister does not expect us to take him seriously.

I am quite sure the gentleman I met this morning in the office of the hon. member for Joliette would not take seriously what the minister said. I am sure that hon. members on the government side, especially those from the province of Quebec—a province that I love dearly and which gave so much to this country—will not believe the minister. I do not suppose it is my place, as a relatively new member of this House, to unduly chastise a member of the cabinet, but I suggest—we are entitled tonight—as are the people who came to us asking that we bring on this debate—to hear a little more from the government side about the factual situation, what has been going on and what is being done about it.

With great respect to the Postmaster General, who touched on a subject that is very important but not the subject of this motion, we did not hear from the two ministers who spoke tonight a single word about the actual situation respecting available feed grain supplies for the farmers of Quebec. It does not matter how you want to slice it, that is the fact. I invite hon. members to examine *Hansard* in French and in English and I suggest they will not find one assurance that there are adequate and available supplies of feed grain for the farmers of la belle province. We have not had a single assurance.

Furthermore, there has not been a single suggestion tonight by any member on the government side—and we have heard from two members of the cabinet—regarding the government's intentions. In fairness, the Postmaster General said, and I agree with him, that no union in this country, no matter how justifiable its grievance, has the right to take the law into its own hands. It should be made very clear at this time, if it has not been made clear before,

that every member of this House who has the public interest at heart agrees with that sentiment. I agree wholeheartedly with the Postmaster General, as does my party.

However, when you have a situation in which exactly the opposite is taking place, what does the government do? It is not good enough for the Postmaster General to ask why the provincial authorities should try to blame the federal authorities for these difficulties. This is a labour dispute that comes within federal jurisdiction, and it is incredible—I say this without attempting to use language that is extreme—that three ministers who should be involved are not here tonight.

Where is the Minister of Labour (Mr. Munro)? Where is the Minister of Agriculture (Mr. Whelan)? We understand that he refused to give up a special engagement, in spite of the fact that the House of Commons of Canada agreed to an emergency debate on a matter that affects the livelihood of the farm producers of Quebec who are responsible for a tremendous portion of the food production of this country.

● (2210)

Where is the Minister of Transport (Mr. Marchand)? None of the ministers who should be here tonight are here. We heard a very fine speech from the Postmaster General on a subject which is not at the centre of the debate tonight. I know that hon. members will agree with me that we have not had answers to the two crucial questions which the representatives of the farm producers in Quebec brought not just to me, not just to my colleague, the hon. member for Joliette, not just to the hon. member in the other party, the hon. member for Bellechasse (Mr. Lambert), and not just to the Minister of Consumer and Corporate Affairs or to a number of other hon. members to whom he referred tonight. Those representatives brought their problem to the House, and we have an obligation tonight to try to meet that problem with facts and at least a recommendation from the government side, or some indication as to what the government will do about it.

If that had been put forward, then of course it would be the responsibility of members on this side of the House to say something about the proposed measure, either in praise, in criticism, or as suggestions to try to improve it if necessary, or support it if it were found to be satisfactory. But we have nothing to bite on, and if any one had been listening to this debate for the last several hours, any one who had stumbled in from another planet, or even, as the Prime Minister (Mr. Trudeau) said, any one 50 yards from the hill, that person would have wondered what in the name of heaven we were debating. It is incredible to me that after producers from Quebec have come here and spoken to members from every party in the House and asked for help, we put on a performance such as this one tonight.

This is not good enough regardless of whether one comes from the province of Quebec or from the province of British Columbia, as I do. I am sorry to have to say that to hon. members, but I am saying it because it is true, and I might as well say it now because some of us undoubtedly will be asked tomorrow by some of the producers from Quebec what in the blazes we were playing at tonight.

[Mr. Fraser.]

I have not risen in the House tonight to say that the solution to moving the grain is to end by legislation the legal strike taking place, but I am prepared to rise in the House to say that there is a time when, barring other methods, a selective form of legislation may have to be brought forward to meet a situation which is biting at the vitals of the economy of the province of Quebec through a sector of the economy in Quebec, and which is striking at the capacity of farmers to produce food for Canadians. It may well be that such selective legislation should be considered.

I listened to the Minister of Consumer and Corporate Affairs tonight when he made a long speech about the right to strike. I believe in the right to strike, but I do not believe that any right within a civil community is absolute, and I do not think most hon. members do so either. I see the following statement in today's issue of the Montreal *Star*:

> And, in Ottawa, Prime Minister Trudeau said ministers are looking at the possibility of federal intervention to end the strike.

Perhaps the Minister of Consumer and Corporate Affairs has not got around to reading the Montreal *Star*. I am sorry that he is not in the House now, but perhaps some one will show it to him tomorrow morning.

Now I want to raise a matter which I find quite incredible, and I think that even my friends on the other side of the House will recognize the logic of what I am about to say. Again I will quote from the same article, and I ask hon. members to listen to these comforting words. This is about the Minister of Agriculture. The article reads:

> Answering questions in Parliament yesterday, federal Agriculture Minister Eugene Whelan hinted strongly that his department would compensate farmers for the extra feed costs resulting from use of the more expensive truck and train transport.
>
> "We've always looked after them in the past," he said.
>
> Should federal aid fall through, Mr. Toupin pledged his support for provincial compensation to the farmers.
>
> He said he felt the federal government should pay for the extra costs since it had jurisdiction over the strike.

Surely in the name of heaven you do not defend the right to strike by calling on the taxpayers in Canada to pick up the tab for the guys who are getting it in the ear. It does not make any sense.

Some hon. Members: Hear, hear!

Mr. Fraser: We have not had answers to those questions tonight.

Let me come back to what the Postmaster General said in terms of the difficulties in this particular strike. I do not want to interfere with the negotiations, although I understand that they have broken down and I should like to hear from the Minister of Labour what is happening. But one thing I do know is that the Gold report came down on March 14. On March 24, 1975, the Maritime Employers' Association accepted it. If anybody would take the trouble to look at the Gold report they would recognize that the employers accepted the recommendations in one of the most comprehensive conciliation reports that has ever been written or filed in the history of Canadian labour affairs. I am sorry that my friend, the Postmaster General, is not here now because I am sure he would agree with me.

What is happening now? What will we be faced with? What will happen if tomorrow, because of the vagaries of the court system, somebody will not be able to get the injunction which the Minister of Consumer and Corporate Affairs said should be obtained at Trois-Rivières? He said that an injunction could be used if some agreement could not be found across the picket lines. He suggested that he had said today to Mr. Couture that the UPA could ask for injunctions as an agricultural organization. But could they in law? What contractual right do they have?

It is not easy to walk into a court and obtain an injunction. I see hon. members on the other side nodding their heads and I know that some of them are learned in the law, which is a great contribution that they bring to this House. It is not that easy to leave problems of settlement to recourse within the civil legal system. There are times when the government must step in. I am not advocating for one minute that every time there is a work stoppage, especially a legal one, parliament move in carte blanche and wipe out the right to strike. But there are times when certain action must be taken, we hope, on a selective basis only.

If the threat that faces the producers in Quebec is that they will not have sufficient feed grain to feed their poultry and livestock and that their poultry and livestock will have to be slaughtered prematurely, perhaps at the wrong market time, and if they are slaughtered other than in the normal course of the agricultural business year, plenty of members on the other side of the House know perfectly well how that dislocates the entire agricultural economy and how it upsets the stability of supply which is necessary to maintain stable prices for the consumers in Quebec and outside Quebec who buy those products. All hon. members agree with this.

I say to all hon. members tonight that we have not had an answer to allay the fears that have been brought to us personally by representatives of the farm producers in Quebec. I also say with great regret that despite some of the oratory tonight, some of the invective, heckling and good natured boisterousness which goes with debates, especially debates that take place after the supper hour, we have not heard from the government a specific answer or a program to meet what may well become a very serious situation within a few days.

● (2220)

In closing, Mr. Speaker, let me remind all hon. members that when the Minister of Agriculture was before the television cameras this afternoon, as a result of questions asked by hon. members on this side of the House he admitted that he could not give any estimate of what the amount of feed grain for consumers in Quebec would be in a few days' time. That is the situation we face, and it is a situation in respect of which there has been no answer this evening.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, since the beginning of the dockers' strike in Montreal, Quebec City and Trois-Rivières, its effects have appeared to become ever greater as days went by. The sector of the economy most severely affected at the present time is that of agriculture, and should such a situation persist much longer, the effects would prove disastrous, even in other sectors of the economy. As a result, I wish to make my contribution to the present debate by supporting very strenuously the proposals of my colleague, the hon. member for Bellechasse (Mr. Lambert), who moved this important motion which is now before the House. I also take this opportunity to congratulate the hon. member for Bellechasse on having raised the issue several times. It simply means that he had foreseen the need for this conflict to be settled as early as possible so as to prevent extremely serious consequences.

We are now placed before the facts and have to recognize the need to take definite steps in the very near future.

On a few occasions, the Minister of Agriculture indicated there was no need for alarm about the present conflict. On the one hand, he pointed out that there was a certain amount of cereal reserves in the grain elevators, and on the other hand, that the millers as well as the people in charge of transporting the grain to the agricultural producers had access to the ports for supply purposes. The reason behind the minister's statement was probably that he wanted to avoid interfering in the conflict and reassure the millers as well as the agricultural producers.

The situation, Mr. Speaker, has now considerably changed, to the extent that the reserves previously extant in the grain elevators are now, for all practical purposes, completely expended. As a result, the House of Commons is no longer in a position to ignore the situation and can no longer wait to take action because such idleness on its part would risk demolishing an agricultural system that is already sufficiently weakened in eastern Canada, and more particularly in Quebec.

I do not intend to describe the pitiful condition of our agriculture, for I did it earlier in this House, as I indicated the excessive cost of farm inputs, the decline of net farm incomes and the market fluctuations in that economic sector. However, what I want to emphasize is that if our farmers are now short of feed for their cattle, in addition to the rest, it might do them irreparable harm. Are we going to witness more auctions? Is the flight of our farmers to cities going to increase further? And furthermore, who is going to carry on farming?

These are very important questions, because, if agriculture is to be weakened further by an extension of the strike, that will have an impact on the rest of the economy and finally, the consumer will have to foot the bill. In fact, everybody is loosing in that sort of situation.

As for the strike itself, Mr. Speaker, I am not saying that the longshoremen are wrong or right. However, we must admit that more and more workers of various sectors are frustrated, they feel unsafe and fight a systematic and continuous increase of the cost of living, which compels them to always ask for more, and more and more often.

I also notice in this conflict that the UPA did not find advisable to ask for an injunction against the longshoremen. They let the Coopérative fédérée du Québec do so because their opinion is that they are an association, therefore a union, and they do not want to fight another union. They would like the government to incur all the odium of the conflict by putting the strike to an end through an act of Parliament. I say here that the leaders of

the UPA see the members of Parliament, irrespectively of their party membership, mainly those of the government, they come to us, they go to the neo-democrats, to the progressive conservatives, they often meet members of the cabinet, but they say: It will settle by itself. Mr. Speaker, who meets the greatest difficulties, but the producers? Therefore the producers, through their association, should take advantage of the law, ask for an injunction against the longshoremen association, ordering them to let the millers get feeds to distribute to their customers. It is once again the same old story of Pontius Pilate washing his hands. We know that. One has to have guts enough to state that in the face of the whole population, particularly that of Eastern Canada and of the province of Quebec.

I sincerely wish that the present situation, added to all the ones we have been experiencing for some months and some years, will be a lesson and that the government will come to grips with the labour matters.

If we have to pass emergency legislation once again to get those people back to work, let us do it. However, that should be the last time. I notice by the gestures of the hon. member for Trois-Rivières (Mr. Lajoie), that he seems to be aware of the matter. Since I arrived to Parliament, this is the fifth or sixth time we came back, we even had to come back in summer time, in July, to pass emergency legislation, because no understanding was possible between employers and employees. I understand that it is due to the spiralling increase of the cost of living, and that is inflation. I believe that the federal minister of Labour, together with his provincial counterparts should agree once for all to pass comprehensive legislation in order to put an end to that kind of strike.

The government must find once for all a permanent solution to all those conflicts which are growing in number and increasingly undermining our economy. Besides, that does not solve anything since there is no end to it! We are going through increasingly difficult years and, in my opinion, it is our duty to focus our efforts on the search for new mechanisms especially adjusted to our times of constant economic disruption. I would even say that the right to strike should in fact be now considered as outmoded since it no longer produces expected results.

● (2230)

Those are the points which I consider to be of the utmost importance in the present debate, Mr. Speaker. Indeed, I feel that we must at any rate give farmers the immediate guarantee they will be able to get necessary supplies for their cattle. On the other hand, I ask the House to consider as well to set up new playing rules in the labour field, so as to avoid once and for all to have to intervene by passing more and more emergency legislation.

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, let me first say that I am glad to have the opportunity to address the House on this matter.

May I point out to some opposition members who mentioned that the Minister of Agriculture was not here tonight that we have a very active Minister of Agriculture who wants to protect the interests of farmers. For those reasons, the Minister of Agriculture is not here tonight to take part in this emergency debate.

As some of you know, the Minister already had an engagement to meet a group of producers in eastern Ontario and at the same time attend a consumers' symposium. When you deal with agriculture, you necessarily have to deal with consumption, and I think the Minister of Agriculture is quite aware of it.

Mr. Speaker, since the beginning of the longshoremen's strike in Quebec, several statements have been made which were either exaggerations or half-truths. As Parliamentary Secretary to the Minister of Agriculture, I would like to address myself to those remarks, thereby putting the situation in its true light.

When it became apparent that a strike was imminent, the minister immediately contacted his officials and assistants and asked them to keep him informed of every development taking place in eastern ports, particularly in Quebec.

Most members know that the Canadian Livestock Feed Board is responsible for ensuring adequate supplies of feed grains in eastern Canada and British Columbia. Unfortunately, we have had five strikes within one year. Some members, like the hon. member for Joliette (Mr. La Salle) and especially the hon. member for Richmond (Mr. Beaudoin), have been telling us tonight that an emergency legislation should be passed to force the longshoremen back to work, when last Sunday at a convention which seemed to be a national mini-convention in my area and in my town, asbestos strikers were called upon on the radio to continue their strike in order to press their demands and earn better wages.

I think the hon. member for Richmond should expect asbestos miners not to be all "dummies". You cannot have it both ways, that is three days earlier, he said to the strikers: Continue your strike, apply all necessary pressures on mining companies to claim your rights; and tonight, he asks the government to present an emergency legislation to force longshoremen back to work.

I believe this is playing with people's feelings. I hope the same member will be forced to retract his statements over the radio stations in my area and tell asbestos workers now on strike: "I lied when I told you I supported the strike, because three days later I stated in the House of Commons that a back-to-work legislation should be voted concerning the longshoremen strike.

If in each of the five strikes we have had in one year's time the government had brought down back-to-work legislation, we should seriously consider with drawing workers the right to strike. But this government in not anti-labour. We trust the unions and the people now negotiating to bring about a settlement that is fair to every Canadian.

As I said, live cattle deliveries to Quebec slaughterhouses are being monitored—and I stress this because it has been submitted a while ago by some members that Eastern Canada slaughterhouses are congested because producers were unable to get feed grain and apparently a majority of them were sending their cattle in.

I must emphasize again that the minister of Agriculture (Mr. Whelan) has been monitoring the number of heads of

cattle slaughtered, and the situation is similar to that in the same period last year.

So the government is having a clear picture of the situation. Let me now give a brief outline of events in each of the Eastern ports. In Quebec City, supplies come and go normally in the port since saturday evening, because longshoremen complied with injunctions secured by some companies. There is presently no general shortage of feed grains in the Quebec City area. Present supplies in Quebec port elevators now amount to 700,000 bushels.

Hon. members will be happy to learn that 150,000 minots were delivered to millers today.

During the first day of the strike the port of Montreal operated normally. So the problem only started recently in that area. An injunction was served on Montreal longshoremen. I agree with members of the opposition that the injunction is perhaps half respected but I think it is not incombent upon the Department of Agriculture or the government to provide millers who go in the port of Montreal to get supplies with the security they need to get their supplies out. Picket lines are perhaps respected but perhaps half respected. Trucks are allowed to load but they will find a way of boycotting delivery, that is they cause difficulties to truckers by puncturing their tires.

I think it is not incumbent upon the Department of Agriculture to provide police service within the port to ensure that trucks can run freely.

If truckers who want to deliver feed grains encounter other problems in the city of Montreal, it is not up to the Department of Agriculture to provide police service. It is transporting a problem in another jurisdiction.

Madam Speaker, there are now 2,500,000 minots in Montreal elevators. It is a matter of respecting the injunctions now in effect to allow millers to go and get their supplies and providing them with the security they need for the transportation of feed grains and I think, Madam Speaker, that we do not need special legislation to solve the dispute.

● (2240)

Mr. La Salle: This is what we want.

Mr. Corriveau: Agreed. The hon. member for Joliette (Mr. La Salle) says that this is what we want, but we tried to learn more. I listened carefully to the hon. member for Joliette and I tried to understand his suggestions. He wants to have it both ways. We should perhaps pass a special legislation, we should perhaps ensure feed grain supplies. We are aware of it. We shall have to take the necessary steps. We have taken some.

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. member, but I wish to remind him that he must always address the Chair.

Mr. Corriveau: Excuse me, Madam Speaker, I was carried away by the heat of my discussion with the member for Joliette who is asking questions.

An hon. Member: The member for Joliette does not understand a thing.

Mr. Corriveau: Madam Speaker, I apologize once again.

I would like to refer to the situation in the port of Trois-Rivières. Up to now millers in the area have managed to obtain feed grain from Montreal or Quebec City.

The elevators in the port of Trois-Rivières now contain over a million of bushels.

There have been instances where farmers in possession of extra supplies offered them to millers or to other farmers.

Madam Speaker, I know that tomorrow injuctions will be granted agains the Trois-Rivières harbour stevedores, and if the Eastern producers obtain such injunctions at this harbour, the situation will be corrected.

Mr. La Salle: If, if—

Mr. Corriveau: The hon. member for Joliette says: if, if. I carefully listened to the suggestions he made a few minutes ago, and I found nothing in them. Madam Speaker, I wish you would ask the hon. member for Joliette to listen, and afterwards, other members will be recognized, perhaps opposition members.

I have also heard reports to the effect there is cannibalism in some piggeries in the province.

Experts from the Department of Agriculture tell me that this problem could be caused by a more or less adequate management rather than by a shortage of feeds. Any member of Parliament who has any experience in farming knows very well that a certain degree of cannibalism may occur at any time whenever the management is not sufficient.

To this day, there has been no major change in the live cattle trade. Madam Speaker, that is what I was saying a while ago. We are keeping an eye on the slaughter houses to find out whether more cattle are being slaughtered than usual.

The hog trade would be in fact a lot more indicative than the cattle trade. There were fewer hogs slaughtered this week than last, which means that there is no serious shortage of feed grain in Eastern Canada.

What steps has the government taken to maintain the supply of feed grain in the province of Quebec? They have decided to dock a cargo in Prescott, Ontario and have her 850,000 bushels of feed grain delivered into the province of Quebec. And yet, there are people who say that the government has not assumed its responsibilities.

An hon. Member: It is too late.

Mr. Corriveau: I should like to invite the hon. member who just said that it is too late, to at least listen, take note of my figures and check them.

An hon. Member: Tell us that the UPA people have lied.

Mr. Corriveau: We talked to them.

Madam Speaker, those 850,000 bushels represent at least three quarters of the total volume of western feed grains required weekly by the province of Quebec. Tomorrow, freight cars will be loaded for shipping to Quebec millers.

Moreover, two ships are now entering the St. Lawrence river: the *Thornhill*, carrying 450,000 bushels of feed grain

and the *John Misner*, carrying 270,000 bushels of grain also. These two ships could dock at any port, depending on the regional situation.

In Thunder Bay, the number of cars loaded with grain increases from day to day. There will be a meeting tomorrow to discuss the possibility of further increasing the number of cars loaded each day.

The railway companies have promised the government at least 300 cars at Thunder Bay, if the situation so requires. In addition, they promised cars coming from Ontario loaded with feed grain to be delivered in Quebec.

According to another rumour, it is more costly to move grain from Thunder Bay to the province of Quebec by rail than by boat. According to the figures of the Department of Agriculture, this is not the case. We should also consider the transportation costs accrued between the port of Thunder Bay and the Quebec mills.

As a rule, people forget there are transportation costs from the elevators to the mills. After a comprehensive study, one finds that transportation costs are often the same.

In brief, the government is aware of the circumstances and recognizes there is a problem which might become rather serious. The government took some measures to help farmer and provide further assistance. Exaggerated rumours do not help to solve such a problem. The Minister of Agriculture said in this House that he would not let the livestock die. He has devoted all his energies to this matter up to now, and I do not see what could prevent him from keeping on working in the same direction.

Madam Speaker, when one says that the government has been inactive and has done nothing, I feel that time should be taken to have a good look at what the government has been able to accomplish at the present time, not with a view to trying and interfere with the settlement of the strike, but rather trying and understand the trade unionists as well as the farmers. I feel that all government members who have spoken tonight have not tried, as was well evidenced a while ago, to play a game on two levels, that on a given day, people are visited in a region and encouraged to strike, and on the following day, they are visited in another region and told: The government should legislate, the government should adopt special legislation, the government should do this or that. Madam Speaker, I believe that the government has taken a totally different course of action.

An hon. Member: That's easy to say.

Mr. Corriveau: Necessarily these are very practical matters. I was saying earlier that we had stopped a ship at Prescott to be able to supply eastern Canada. The railway companies have promised to make more cars available to the government if necessary. These cars shall be available at Thunder Bay and in Ontario, as required. A meeting will be held tomorrow in Thunder Bay to discuss the possibility of increasing the number of car loads to be shipped to Quebec. A meeting will take place with the province of Ontario, on the possibility of issuing special regulations for the Quebec flour-mill trucks that are to load supplies in the port of Prescott. There is at the present time an agreement with the Quebec government, with the Minister of Transport, allowing truckers to move grain so that they will not be limited to half loads. Tomorrow, the government will get in touch with the Ontario government, and ask for the same privileges. Contacts have already been established. Millers from Ontario co-operatives are allowed to carry full loads on the Ontario Highways, but a law was passed recently that does not allow other trucks then those belonging to co-operative millers to move very heavy loads on the Ontario highways. This will be discussed at a meeting between the federal government and the Ontario government and, Madam Speaker, I am under the impression that the Eastern Quebec producers will be listened to. I have tried to give an account which provide perhaps a clearer idea of the situation in Quebec. The farmer from Saint-Hyacinthe (Mr. Wagner), is going to speak.

Mr. Claude Wagner (Saint-Hyacinthe): Madam Speaker, I can hear the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) say: The farmer from Saint-Hyacinthe is going to speak.

It would be doing me great honour to credit me with the qualities, the attributes of Saint-Hyacinthe farmers. I admit however that my experience in agriculture, my knowledge of agricultural problems is in inverse ratio to the distress I feel about the problems affecting farmers of Saint-Hyacinthe. So, Madam Speaker, it is with very great pleasure that I shall take part briefly in the debate, remembering that at the outset, the Parliamentary Secretary to the Prime Minister or the chief whip, the hon. member for Pontiac (Mr. Lefebvre), if I am not mistaken, said on a point of order that the matter under consideration is a national problem.

● (2250)

And he is right. The problem is of national importance—which may perhaps explain the absence of almost the whole cabinet from this House tonight—and a problem to which no hon. member should be indifferent. It is of national importance, and so much so that not only has the Leader of the Opposition (Mr. Stanfield) been sitting in his seat here since the start of the debate, but representatives of all the provinces of Canada on the opposition side will have the opportunity of making themselves heard, of pleading the case of the Quebec millers and of saying openly to the government that, to them, this is not a problem of secondary importance, and that when there is a crisis in Quebec they are so deeply concerned that they are moved to champion the cause of the people, the consumers and the farmers of Quebec.

It is with special gratitude, therefore, Madam Speaker, that I address my thanks to the hon. member of Bellechasse (Mr. Lambert) and the hon. member for Joliette (Mr. La Salle) for having moved this debate, for having assumed their responsibilities and having made heard the voice of the opposition.

Madam Speaker, concern has been expressed about the absence of the Minister of Agriculture (Mr. Whelan). Some elements of explanation have been provided.

Mr. Corriveau: And true ones.

Mr. Wagner: True ones, and which we believe. However, this afternoon, when the emergency debate was agreed to by the Chair, the Minister of Agriculture (Mr. Whelan) uttered a few words, shall I say so sweet, which were recorded and reported to the media, he said something like: "Why waste such a lovely evening?" So it was the prospect of that spring night which made him decide that he had better go and talk elsewhere than listen to hon. members and have the opportunity to act. I readily agree, Madam Speaker, that having lenghty debates will not help solve problems. However, it is surprising to get tonight from the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) a series of figures, disclosures, and informations which we have been demanding in this House, day after day, for the last fifteen days, and it will have taken an emergency debate for us to get that information and to lead the Minister of Agriculture and the Minister of Labour (Mr. Munro) and others concerned to tell hon. members: waht is the root of the crisis we are witnessing in Quebec?

Madam Speaker, I am surprised and I think to myself: the Minister of Agriculture may think he is lucky he escaped the questions and cross-examinations by members of Parliament tonight, but tomorrow when he reads *Hansard*, he might consider himself slightly less lucky since his cause was pleaded by the Minister of Consumer and Corporate Affairs (Mr. Ouellet). I must admit, Madam Speaker, it seemed a little bit strange. It seemed a bit strange to suddenly see the Minister of Consumer and Corporate Affairs come to the rescue of the Minister of Agriculture, and in an outstanding display of solidarity take up his cause and make himself his spokesman. We were then reminded of the days of the old solidarity when, on the matter of eggs for instance, the Minister of Consumer and Corporate Affairs made statements totally inconsistant with what he thought of the Minister of Agriculture's activities. So maybe he was just paying him back in his won currency when he was led tonight to plead so vehemently the cause of a man whose action he had unfortunately stigmatized several times in the past. In any case, Madam Speaker, lucky or not, the minister will have the opportunity tomorrow to read everything that was said and to draw his own conclusions.

I would not like to forget to welcome particularly the speech of the hon. member for Verdun (Mr. Mackasey). Members for Verdun have a very special way of saying things, they are vigorous and I see that the former as well as the present members for Verdun do not change, for the well-being of Canadian society.

Madam Speaker, I would now like to say that my colleagues have showed firmness to this moment, in particular my colleague from Vancouver South (Mr. Fraser), who depicted very clearly the disaster of which Quebec farmers are now the victims. The supply of feed grain is disrupted to such an extent that Quebec farmers are forced to send their cattle and poultry prematurely to the slaughterhouse. Soon this premature slaughtering will upset the whole market, which is already so unstable, very soon production costs, already too high, will be accordingly increased and once more, consumers will pay the bill. However costly and dramatic the present Quebec longshoremen strike may be, and however costly it may be for cattle or poultry producers, I do not intend to blame the longshoremen alone for the feed grain shortage in the province of Quebec.

I know what were the recommendations of Mr. Justice Gold. I am particularly aware of this clause 1.09 of the Gold report which says, and I quote:

> The operation of any rented equipment, unless otherwise specified, is a duty that does not fall on longshoremen.

I also know that a new mobile hour system is proposed which may jeopardize at least to a certain extent the job security of longshoremen in Montreal, Trois-Rivières and Quebec City.

But since the longshoremen by going on a legitimate strike have succeeded in making the governments of Ottawa and Quebec and the general public aware of the problem, and that, with the same intensity, as pointed out by the hon. member for Richelieu (Mr. Côté) the opposition has succeeded in waking up the government by having this special debate, I ask them, and I hope that members of the government side will support me, I ask the longshoremen and all my colleagues on this side as well to take concrete and immediate action and to facilitate the free and efficient access to grain elevators to the recognized representatives of co-operatives and millers of the province of Quebec. I hope this appeal will be heard. Otherwise, the longshoremen would only compel Parliament to adopt, for lack of other means, a special legislation to force them back to work.

● (2300)

Madam Speaker, I feel that it would be appropriate at this time to remind all those concerned that the right to strike has reached its limit when it starts to interfere with the rights of others, with the collective right of a whole community.

Let the federal government, because of the urgency of the situation, make use of the means of pressure at its disposal and, should the need arise, make use of his legislative weapons, if the longshoremen refuse to demonstrate themselves their concern for the true interest of the people. Producers and consumers cannot and must not remain 24 hours more the hostages of ship owners and dockers who have refused far too long to listen to one another.

Why don't the union members concerned make a similar gesture, comparable to the one they made earlier in this strike; thus, it seems to me the unions would stand to gain, to win new favour—and God knows they need it at this time!—and so all the freedoms could be saved, in the best interests of society.

To conclude, essentially, this conflict and the dire effects it has already had on our farmers, and will soon have on consumers generally, raise the problem, the challenge of assuming, with maturity and in a civilized way, the choice and exercise of our freedoms in Canada.

In the short run, the government must expedite recourse to the means at its disposal, and if need be, resort to an actual rail lift from Thunder Bay to Montreal, and an actual truck lift from Prescott to Eastern Quebec, to make up for present shortages of feed grains and, eventually, if the quality of the stocks now locked up for some time in

the elevators does deteriorate, to substitute new supplies for the old.

But already, this again shows how poorly the central government may be equipped, may lack the instruments required to face the consequences, which are always foreseeable of conflicts such as the one we are now up against.

In conclusion, I should like to cast a look to the future.

Tomorrow, farmers will have to be compensated for the higher costs this conflict has imposed upon them. Above all else, the government must, in the future, be ready to mitigate the effects of similar situations; it must adopt, in advance, measures of a permanent nature which are worthy of the government, and worthy of the social and economic leadership our people are entitled to expect.

And on another level, over and above that of the present conflict, the federal and provincial governments will once and for all have to define the nature of labour relations in Canada, especially, as the fact has been brought out so well, in the public sector.

A labour court will ultimately have to be established before which parties to a conflict in the public sector will necessarily have to appear for a final settlement; such a settlement, if not accepted by one or the other of the two parties, shall be imposed. The idea of such a court is not to suppress the right to strike, but to subject it to the common good when a strike has lasted too long.

The people are fed up, I should say really fed up, with the eternal perpetuation of conflicts in the public sector, as well as with those trade unionists and, I insist, those employers who have an innate tendency to hold the public as hostages.

Such, Madam Speaker, are the few objective reflections that I wanted to pass on to this assembly, and I sincerely hope that they will find their concrete application in the decisions made by the Government.

Mr. Yves Caron (Beauce): Madam Speaker, it is with pleasure and with great interest that I take part in this emergency debate that was requested because of the urgent, and rather dramatic situation that has prevailed these last ten days in the ports of Quebec City, Trois-Rivières and Montreal and which has the effect of interfering with feed grain supplies because of a longshoremen strike.

Madam Speaker, I do not speak often in this House, and believe me it is not because I am not aware of the problems facing my country; on the contrary, but every member somehow has his personal philosophy and mine is, on the one hand, that I believe more in action than in great speeches and, on the other hand, that this House is made up of an impressive number of members with a long experience of politics who can afford to make learned an eloquent speeches.

However, today I have a reason to speak because I would not want the voters in my riding, and particularly in Quebec, who elected some sixty liberal members, to have the impression that the opposition is the only group to stand for the interest of producers. The hon. member for Joliette (Mr. La Salle) and the hon. member for Bellechasse (Mr. Lambert) speak on behalf of Quebec. We are indeed some sixty liberal members from Quebec and several of us come from rural ridings and find just as much interest in this matter as evidenced in recent days by myself and the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard), the hon. member for Charlevoix (Mr. Lapointe) and the hon. member for Laval (Mr. Roy) who pleaded directly in this House with the Minister of Agriculture (Mr. Whelan) and who showed they wanted as much as I do a quick solution to that serious problem of grain supplies.

Madam Speaker, first I want to say to this House that I am not against strikes but like any other sensible person I think there are limits which must be imposed when the common good is threatened and at present, Madam Speaker, the common good is threatened in Quebec.

A reply was sent to me by the Minister of Agriculture Tuesday, April 8, last, because I told them that Quebec grain elevators were empty and producers were becoming alarmed, and rightly so. Since then and before asking that question I received several telegrams from organizations in my constituency asking me to appeal to the minister and during the weekend, several producers of raw milk and manufacturing milk came to meet me at my office and asked me to appeal directly to the minister and the whole government and ask them to take an early decision to settle the problem—as it is done for example when western supplies are threatened—either through legislation or otherwise.

● (2310)

The government is not indifferent to the problems of western farmers and eastern consumers, as suggested by members opposite. Let us only take as example Bill C-19 providing for a double price system for wheat grown and sold in Canada. This bill has now reached third reading in the House and if the opposition acts in good faith as it claims, it should prove it to the producer and consumer by hastening to support that bill which will greatly encourage western producers generally and Quebec consumers more particularly.

Madam Speaker, as a Quebecker, I deeply realize what can be the effects of such a strike, especially for the Quebec agriculture during the months to come and I know that it will eventually be reflected in higher prices if it is not immediately settled, which will first affect the producers and then Quebec consumers. This is why I eagerly hope that the matter will be settled as quickly as possible.

Mr. André Fortin (Lotbinière): Madam Speaker, I think it is my duty to support the initiative of the opposition members in this emergency debate for the supply of feed grains to Eastern Canada, particularly to the province of Quebec, through ports now closed in Quebec City, Montreal and Trois-Rivières.

Since the beginning of the debate tonight, thanks to the initiative, among others, of the hon. member for Bellechasse (Mr. Lambert), who came back charging on several occasions, we have heard many different theories, excuses or attacks, but, Madam Speaker, we are still at the same point where we were at 8 o'clock, when the debate started. The means of the Parliament in an emergency situation recognized by the four parties in the House are the organization of an emergency debate; it is the only means avail-

able to the institution called Parliament, in an attempt to make the government aware of a particular matter in order to bring about a precise solution. The government, through the Minister of consumer and Corporate Affairs (Mr. Ouellet), tried to throw the ball back to the Opposition, superficially, and, I should say, without any apparent success. Surprisingly enough, he has even been contradicted several times by his colleague the Postmaster General (Mr. Mackasey) who—and I want to commend him for it—took a positive and logical position towards the disturbed work force of Canada.

An hon. Member: No wishy-washy he!

Mr. Fortin: Madam Speaker, it is regrettable of course that the Minister of Agriculture is not here tonight, but he was very well represented by his parliamentary secretary (Mr. Corriveau).

He told us the government had taken adequate measures to ensure feed grain supplies in Quebec, that they had sent ships, stopped ships, opened grain doors, closed elevators, mustered people, done some picketing as he so aptly said. But we are still waiting for a solution. Immediately after his illustrious and eloquent speech of apologies, his colleague from Beauce (Mr. Caron) says that after ten days the situation is now dramatic and that what is at stake is cattle feeding in Quebec. Their government colleague had stated earlier that opposition members were trying to play politics by asking questions, and that this debate was practically pointless. In the same breath, the hon. member for Beauce indicated that he and four or five other colleagues had been asking questions from the minister for the last few days.

How are we to reconcile this, Madam Speaker? If an opposition member is playing politics urging the minister of Agriculture to act in a dramatic situation, so does a member on the government side. I suggest also that when an opposition member puts a question to the minister and the member on the government side asks a similar question, and in both cases the minister does not act but simply submits that elevators are full and that the question is out of his hands, I feel that Quebecers were wrong in sending upwards of 60 liberal members to Parliament.

I would not want to show prejudice or divide the country, but there is something I must say, no matter what. In the eight years I have been a member of this House, we have been hearing of grain problems in Western Canada. A handful, or rather a good number of members from Western Canada—and let me emphasize they are not government members but opposition members—by holding together and making a stand and defending their area's interests and on a number of occasions they have managed to instigate emergency debates, force the government to act and bring about results for western Canada. To those who accuse me of partisanship, I shall say that we in Quebec have a talent to talk so little about Quebec's problems in this House that everytime we have that opportunity, a very limited one I must say, we systematically attack each other and display to other members of Parliament of this country the show of members of Parliament who forget the problems of their own provinces to uphold the interests of their own parties. That is the kind of show we have been witnessing tonight up to now, Madam Speaker, and that greatly disappoints me. In support of what I say, the hon. member for Frontenac (Mr. Corriveau) became irritated because somebody visited him in his constituency during the weekend. He would rather accuse the hon. member for Richmond (Mr. Beaudoin) a few moments ago than talk about the problem of supplies, and deliver a message of hope or suggest a practical solution. In that respect, the hon. member for Beauce (Mr. Caron) was right, the hon. member for Frontenac just said, after he read a speech which had been drafted by civil servants, that the hon. member for Richmond was being illogical, a citizen of Quebec attacking another citizen of Quebec. Madam Speaker, he said that the hon. member for Richmond, while inducing striking asbestos workers to maintain their strike, and that now, in the case of the longshoremen strike, wanted emergency legislation to be passed. He said the hon. member for Richmond approved of the strike in Thetford Mines, but that in the case of longshoremen he thought emergency legislation was absolutely needed.

● (2320)

Madam Speaker, if the hon. member for Frontenac and parliamentary secretary (Mr. Corriveau) really believes that, which would have to be proven, he should realize that in the case of the asbestos strike, the common welfare of our population is not involved, but this conflict lasts and will go on lasting because it was caused by the Liberal party, maintained by the inaction of the Liberal party, and today, Madam Speaker, those people are asking for justice. However, in the case of the longshoremen's strike, for the information of the hon. member for Frontenac, the conflict really threatens the common welfare.

Having said that, I would like to emphasize one thing. I received today a telegram from the Farming Co-operative of Bois-Francs, Victoriaville, signed by its managing director, Mr. Marcel Pothier, and I quote:

> Situation impossible in feed grain supplies. No shipment today from Quebec elevators despite injunction. Our trucks stopped today at Montreal elevator. Stikers strengthen their positions. Our stocks at a minimum about 12 hours' operation. Thunder Bay rail shipments completely disorganized. Request emergency action.

This completely contradicts the statement of the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and the statement of the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau).

Even if this debate only allows us to learn the truth about the situation, it will represent a considerable gain for us. I received today also another telegram from the Poultry Producers' Federation of Quebec, and I quote:

> Poultry Producers' Federation of Quebec includes all chicken and turkey producers in province of Quebec. Poultry producers alarmed by feed grain supply situation, caused by lack of access to national ports because of strikes. Supplies of producers will run out within 24 hours, request immediate action; otherwise, enormous losses will occur following lack of food.

That is another situation, further evidence that indicates the need to step in as quickly as possible. The common weal of the Quebec people is at stake. The matter is not, as the Postmaster General (Mr. Mackasey) said so eloquently and so justly, of passing emergency legislation every time a major problem, limited though it may be, arises. Tonight's sitting is perhaps evidence that our

present labour policy has failed. It probably shows that our bargaining procedures, our desire to solve labour disputes are not as unyielding as the economic problems facing our fellow citizens.

The debate tonight, as the one we held in the case of Vancouver longshoremen, as the ones on all other disputes since 1968, indicates the importance of updating our bargaining methods and process. It proves it is time that Canadian employers realize the importance of meeting around a table, of discussing, of finding solutions to this problem to ensure the common weal and meet the needs of the people.

In my area we are now suffering from a strike involving workers in furniture industries. It is a serious conflict, because each party is standing firm and not budging from its demands and perhaps because laws are inadequate or obsolete in today's labour world to provide means of solving problems quickly.

In the case of longshoremen, exactly the same situation prevails.

Let us suppose for a moment that we legislate longshoremen back work. What would happen? It would constrain people who are resorting to justice to obtain greater employment security, better working conditions or wages. Are they right or wrong? It does not matter. This Parliament would force workers back to work without probably having obtained what they were asking if not on the whole at least in part; however, on the other hand, it would guarantee grain supplies. But would the problem would be settled for all that? It is not sure. It is not certain that emergency legislation would solve the problem since in two years, a year or six months from now, the same problem will reappear.

Madam Speaker, as stated by the Postmaster General, it is time for everyone to understand and reappraise his position and take consider circumstances from a fair and equitable point of view.

The hon. member for Beauce (Mr. Caron) told us that the situation was dramatic and he was right. And, Madam Speaker, this must be acknowledged without reference to any party politics.

We now have the opportunity of holding a debate that will allow us to show the longshoremen, the Canadian people and the millers as well that this parliament is anxious to see our country carry on its business properly and to deal with those problems. Obviously, we shall not solve this problem tonight.

Madam Speaker, I was listening this afternoon to an interview with the head of the longshoremen's union in Montreal and when the interviewer asked him: "If the parliament voted an emergency measure, what would happen?" he answered, if my memory serves me well, that even with an emergency measure, he was not sure at all that his men would go back to work.

Madam Speaker, with such an attitude prevailing we certainly shall not find a solution. And then the interviewer asked him: "Why, after having said that you would respect the injunction and that you would grant free access to grain elevators, you no longer do so?" He answered that he did not receive the unconditional support of the Quebec millers in the longshoremen's struggle to get justice.

Madam Speaker, the picket line is considered by the longshoremen as a means of pressure to force this government to act, to make people aware and to bring pressure to bear on the millers. And the same labour leader added that if the millers were so powerful that they succeeded in getting supplies they should be powerful enough to deal with their own conflict.

And, Madam Speaker, the notorious social process is again engaged and where shall we stop? As the hon. member for Saint-Hyacinthe (Mr. Wagner) was saying: Not only the common good is at stake, but the concern of our fellow citizens is reaching its highest point. It is time to take action whether or not there is grain in the elevators and what concerns me at this time is that the millers may get their supplies without trouble or fear.

Madam Speaker, Quebec needs 1,200,000 bushels of wheat, 1,700,000 bushels of oats, 2,300,000 bushels of barley and 1,200,000 bushels of corn per month, which makes a total of 6,400,000, or 213,000 bushels per day. At eleven this morning, there were in Quebec 219,000 bushels of oats, barley and wheat. The ports of Montreal and Quebec City are now supplied by Quebec City.

Madam Speaker, this shows the extreme urgency of the situation. I do not want to take the time of the House any longer, but I want to say this: I hope wholeheartedly that a positive settlement will be found in the very near future. I hope that if urgency legislation is passed, it is not exceptionally intended for a special group of longshoremen or for a special group of Canadian workers.

I believe that we should work at the same time towards a much more permanent solution, either the use of a labour court like the one the Social Credit members have been asking for a long time, or binding arbitration or any other positive solution that would enable us to secure justice and to respect requests from both parties concerned.

Madam Speaker, this government did nothing up to now. In his reply to the hon. member for Bellechasse last week, the minister said there was no problem, that he was controlling the situation keeping an eye on what was happening and he replied in a rather sneering way to the hon. member for Bellechasse that the elevators were full of grain, that there was enough grain. But, Madam Speaker, as one can see in *Hansard*, that does not settle the problem since it has to do with an access problem.

In concluding, Madam Speaker, I hope, as I said, that a rapid solution may be found, considering the emergency of the situation. In the Lotbinière area particularly, we are, a little like the Richelieu constituency, between Quebec City, Trois-Rivières and Montreal, we are really at the core of the problem. Madam Speaker, I sincerely hope that this strike will not be pursued at the expense of producers, that the longshoremen will understand that. I hope above all that in this House of Commons we will try, and that this debate will teach us a lesson once and for all, we will try to get together in the east so as to secure justice for all people, just like the people from western Canada, who have been setting an example for us since I do not know how many years in this House. If and when we do under-

stand that, Madam Speaker, we will surely be able to legitimate the presence of Quebec members in Ottawa, otherwise it will keep on being a colossal farce since the government members will be there to defend the government's position and the opposition members to attack the government.

Now I do not believe, at least it is my point of view and that of my Social Credit colleagues, that that should be our role. We do not claim, we from the Social Credit Party, to be the only ones to represent Quebec. That is not true. But we hope that we and other members from Quebec, regardless of our party, will exert pressures on this government by taking advantage of this dispute to show them that in Quebec we are as strong as western people when it comes to cope with a labour problem such as this one.

Mr. Speaker, when a problem from western Canada is brought in the House, each time I realize that it tries the patience of hon. members from Quebec—often myself first—not because it is not important but because we are being given a lesson in solidarity and unity. I tell myself that in such situations it is exactly the position we should take and I think that in this regard the positive speech of the hon. member for Bellechasse has been a commendable example.

● (2330)

[*English*]

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, there are a number of things that should be said.

Mr. Paproski: There is no minister in the House.

Mr. Forrestall: There have only been a couple of ministers here all evening. It is quite proper for us to commend the hon. member for Bellechasse (Mr. Lambert) and the hon. member for Joliette (Mr. La Salle) for their initiative in bringing this subject matter to the floor of the House.

Some hon. Members: Hear, hear!

Mr. Forrestall: Unlike most hon. members who have risen tonight, I do not take particular pleasure in being here, largely because the problem that keeps us here is one that could have been resolved a couple of weeks ago with a little foresight and speedier action on the part of the government.

This evening we are dealing with a number of separate matters and it is important to keep them in perspective. The sense of solidarity among the members from Quebec is quite noticeable. I have sensed tonight in the debate something other than a desperate rush on the part of some backbenchers merely to support the words that come from members on the treasury benches: I think that is a positive thing. It suggests to me that there is indeed a serious problem in Quebec with respect to access to feed grains.

Coming from Nova Scotia, and particularly the area of the port of Halifax, I have known all my life that the St. Lawrence river is frozen over in the winter and I have wondered what is done with feed grains for six months of the year. There must be a serious problem or we would not be here tonight: all hon. members who have participated in the debate recognize that.

What brings me to my feet tonight is my wish to remind all hon. members that, notwithstanding the grievous and potential damage that can be done to producers in Quebec with respect to their livestock and poultry, there are some things we must keep in mind. In fact, this is a narrow problem. As I see it, it is the application of proper collective bargaining procedures and, in this case, the abuse of certain of the prerogatives and rights of men who are on strike legally.

The Postmaster General (Mr. Mackasey) dealt fairly forcefully with this subject tonight, and the hon. member for Vancouver South (Mr. Fraser) expressed the feelings of all of us that it is not acceptable to any member when people on strike abuse certain of their rights to the detriment, damage and injury of people who are not directly involved. I think this is something that we should keep in mind.

What seems to be happening here is that as a result of picketing arising out of a legal dispute between the Maritime Employers' Association and the ILA, serious potential grievous harm can come to producers—and this situation must be corrected. As virtually every member has said, it not only must be corrected but it must be corrected quickly.

It is important that we keep in mind at this stage a word of caution and do not unduly interfere with that legitimate dispute. What is important is outside interference in legal acts such as picketing, or the action of the president of the International Longshoremen's Association in the United States, Mr. Gleason, and his associate Mr. Sullivan, who have attempted to direct Canadian longshoremen not to service ships plying our waters.

I mentioned earlier to the Postmaster General that I think it is a measure of the seriousness and good will of Canadian port workers that by and large they have ignored this direction. I think they have ignored it properly, and I think they will continue to do so. I believe that the situation in Saint John will rectify itself and, with respect to the movement of goods in and out of Canada from overseas, the situation will become acceptable to all concerned in a short period of time. We hope it will be corrected at about the same time that the government gets around to correcting the situation in Quebec with respect to access by millers to storage elevators and storage bins.

So far there does not seem to have been any substantial damage done to the national economy as a result of the strike which is now about two weeks old. Again as the Postmaster General indicated earlier, this strike follows a long period of relative peace in the river ports. The last walk-out was in 1972 and it was of seven or eight weeks duration. It arose not out of a legal or legitimate dispute but, rather, as a result of varying interpretations of a contract that had been signed only a few weeks before the walk-out.

The third thing that I think we should bear in mind when we are considering representations to the government with respect to methods of bringing this unfortunate situation to an end is the nature of the ILA itself. We are not dealing with a homogeneous group; we are dealing with a very loose international organization—indeed, a very loose Canadian union whose strength lies in the autonomy of its separate locals, not in its national struc-

ture. I think this is important because when we, unwittingly perhaps, sometimes blame labour for all the problems that crop up, we do little to serve good collective bargaining processes in Canada and I think we must be careful.

Here we are dealing with separate locals which for one reason or another have chosen to exercise their political muscle in the way that to them at the time seems most appropriate. I am not suggesting that the methods being chosen, of blocking access to feed grains, is proper; but in their minds it is proper, and if we are to overcome the difficulties of strikes, legal and otherwise, we must bear in mind that these individuals are acting in the most effective way they know.

● (2340)

The Postmaster General dealt with a number of areas which I wish to touch upon tonight. One has to do with the rate at which existing labour laws permit us to correct situations which exist, such as the one causing great concern in Quebec. The instruments and the procedures which are available—and I think this is apparent to everyone here this evening—are simply not adequate. They are not capable of meeting a worsening and deteriorating situation.

If the situation in Quebec city, Montreal and Trois-Rivières has brought anything to our attention, it has to be the fact that injunctions are not quick enough, and tribunals to decide through arbitration whether certain things may be done are not swift enough. These are things we in this chamber have a responsibility to correct. Hopefully we can go a long way by means of example in the present review of the Public Service Staff Relations Act and related acts. Hopefully we will be able to find some solutions, because that is our responsibility.

It is not necessarily our responsibility to intervene in legitimate disputes within the existing framework, but it is our responsibility, where we see weaknesses, to correct them. One of these weaknesses is the rate at which governments and users of services are able to obtain corrective action where illegal activity takes place. It is our responsibility to support that type of action.

I am somewhat regretful that there has not been tonight from the Treasury benches, particularly from the Minister of Labour (Mr. Munro), some acknowledgement of this. I am not here from Nova Scotia to make a speech on labour, but I am here to demonstrate my support for the necessity to improve some of our labour procedures which will remove or eliminate the causes which bring us here tonight. That is a problem which faces us all.

The Minister of Consumer and Corporate Affairs (Mr. Ouellet) this evening was looking for suggestions on how we might improve this situation. This is an area we must consider. We must also consider carefully the definition of when an interest is so critically affected that this chamber must intervene with legislation. It is regrettable when that has to happen, and we know that it does from time to time. Again it is incumbent upon us to find ways to obviate or eliminate that necessity.

I will make a suggestion which the minister, or whoever reads these speeches tomorrow, might consider. Quite possibly we should take, for example, the pay research bureau away from the Treasury Board and from the staff relations board and imbue it with its own authority, establish it in an independent atmosphere, perhaps attach it to one of the universities in Canada which has demonstrated concern for government matters, and imbue it, as I said, with its own authority to do two separate things, among others.

First it should have the authority to do those cultural things which are necessary, the identification of proper pay and other benefit statistics, bring that information together, analyse it, and then disseminate it in areas where it can best be used. Money should be provided to do that, because this would be costly. Second, the government should give serious consideration to imbuing the Treasury Board with the responsibility of identifying that type of information which will describe for all of us the definition of essential services, that critical point in our day to day lives when interruption of those services requires the action of this chamber. It is the second suggestion to which I think the government should give the most consideration so that we can find some way out of the dilemma which continues to face us. It seems more and more so as time goes by.

We could have heard something of a more positive nature tonight. Compensation for losses has already been mentioned, but we have not heard very much about it tonight. This is an illegal matter. I suppose there is redress in the courts for third party damage, but it is extraordinarily expensive for a farmer to go to court and fight his way to the Supreme Court of Canada to recover losses incurred as a result of an illegal activity. I would not want to be the lower court trying to interpret just what is legal or illegal. Perhaps this is an area for very serious thought on the part of the government and this chamber, to seek out some method of compensation for innocent victims of actions arising from illegal activity, or activity which on the surface seems to be illegal.

These are suggestions, albeit not necessarily appropriate to the particular situation tonight, because there is nothing which can be done about it. But in order to remove the necessity of bringing these matters before the House in order to establish new methods of dispute resolution—keep in mind that the adversary system is probably the only one we have with respect to negotiation—we must move away from the mandatory results of the adversary system. That system brings about attitudes like, "I will not do this", and "you will not move me", and "get your policemen to move me", or "drive your truck over", or "I am here to protect my rights" when in fact those "rights" are duly protected by law, and an illegal interpretation is being exercised, or an illegal action is being carried on.

A question which keeps members of parliament here until midnight must indeed be serious. There is an hon. member here from Nova Scotia, another from British Columbia, some from parts of Ontario, a couple of hon. members from British Columbia, from Alberta, and many from the prairies because they sense a concern on the part of all hon. members from Quebec.

Some hon. Members: Hear, hear!

Mr. Forrestall: We are here because we feel a need for an immediate end to this particular problem. We are here

to make sure that they have the support of other parts of Canada, we are here to make sure that those involved in illegal activity realize that we will not tolerate it. There is no misunderstanding whatsoever as to the position of, I hope, all of us with respect to illegal activity, and we want to demonstrate to those who are suffering that we will not tolerate it.

When that type of solidarity is required, hon. members from Quebec need not look very far afield because there are many men and women in this chamber who will stand with them to correct wrongs which seem to have been perpetrated upon them in the last week or so.

● (2350)

[*Translation*]

Mr. Claude Tessier (Compton): Mr. Speaker, I agreed to take part in this debate because we too on this side of the House share the concern of producers, and particularly the producers of Quebec and eastern Canada. We are ready to recognize and respect the rights of workers, even the right to strike, within the limits of the rights and duties provided for in the labour code. However, if we have to consider the great harm done to the producers, the agricultural industry and the economy of eastern Canada, we are ready to act. The situation has been termed a crisis situation, and we cannot sit back while it deteriorates to the point of assuming disastrous proportions. As to the role of Parliamentt and the government, it is becoming more obvious hour by hour, and the Prime Minister (Mr. Trudeau) himself already said so, because he knows he can rely on Parliament.

As to the role of various co-operative associations, representations were actually made, and we accept them and thank those who make them, for even though we know they were working in their own interests, after all, we are beginning to think that they were also working for the common good.

This is not a test case which will afford us the opportunity to teach a lesson to some people. What we have to do is grant a salary which will ensure us the respect of the people, of our organizations and institutions, in our economy and our agriculture, and also in social peace. What we have to do is avoid stirring up merely emotional reactions. We have a duty and an obligation to base our actions on the principles which should guide legislators: first, the public weal and the common weal; second, the respect of the letter and the spirit of the law; third, the necessity to accept only means that are in keeping with present economic and social restraints as well as the needs of individuals and associations.

Finally, to accept the principles of free enterprise and freedom. Leadership is absolutely necessary and there is no room for compromise when it is a matter of respecting the law and making people respect the law, especially if the law and the common weal are involved. This leadership is given fully by the government, every hour, and if it is necessary to take action, action will be taken.

Quarrels and party politics are a dangerous game, since they weaken Parliament, and it should be known that the population is indifferent to parliamentary games since it is the results that count and all the words, opportunism and mean politics only discredit the institution of Parliament in the eyes of all thinking men.

In our own struggles, we must show maturity and logic. I would like to give an example of this. A few weeks ago, the APU made representations to get $11.60 a hundredweight of milk. Members of the APU came to meet us. They even threatened us by saying that it was essential that they get $11.60, otherwise, there would be trouble. We saw those same representatives today and they were asking us to take very severe action against other workers. Does this mean that as far as we are concerned, there is one system for one segment of society and another system for another group? I believe that in the case of milk, as in the case under consideration tonight, the government will act with authority and, as usual, we can be assured that the action it takes will be appropriate.

We have and will continue to have this authority and sense of our responsibilities and, instead of talking about it, we will continue to act. Respect commands respect, and if we want to be respected, we, the members of this Parliament, must act accordingly. We take our responsibilities with the courage it requires as concerns respect for people, rights of individuals, organizations and even unions, respect for institutions, legislators, Parliament, government, democracy and rights, respect for the human being in general, which, as a matter of fact, is supposed to be a favourite theme of my friends the Social Crediters. It is also dear to us, but this is not demagogic affirmations or empty words, but a fluid and complex reality to be built every day, and this is what we are doing taking into consideration the whole Canadian reality, this moving reality.

With respect to solutions concerning grains, those who need supplies must be supplied, and the game and whims of those who prevent them from being so must stop immediately. Furthermore, it is necessary to improve that supply by making it less vulnerable, and I ask the minister to take the necessary steps to give the proper person the necessary authority.

Then, as in cases where the situation gets worse, the government is not using violence, but when there is no agreement, the economy and public welfare are concerned, someone must decide at the proper time and place, and the resulting peace is a subject for rejoicing for the great majority, except inexperienced or professional agitators and for them, in the name of the majority, I have no pity.

I am not too eager to support tonight's speaking marathon, but I can assure those interested that the government is aware of the situation, and because the interests of our economy and agriculture are involved, a decision will be taken in due time and place.

That also is respect for the people and the rules we have accepted, and of which we are courageous enough to take the consequences, without, however, neglecting our responsibilities.

The government is prepared to act as arbitrator if and when necessary. The pursuit of the objectives of both parties remains total, and it rests with each of them to respect the common weal, otherwise the government will have no other choice but to step in.

As far as we are concerned, it is a principle and, moreover, a rule of conduct. I hope it will be a guideline which we will follow every time the common good, the rules, the respect of the law, of the rules of democracy, of the government and of Parliament are involved, all of which in a living and thriving democracy, ably and courageously led through all the difficulties that we are experiencing.

The difference is that some members may speak for a long time still, and as far as we are concerned, we have the duty to act in due time and we will.

But, if we agree to speak about it, we will continue to listen, then, as proof of our seriousness, I hope we will strike a balance. We will find that the people were right in electing us, because what is important is action, and we shall take it.

● (0000)

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I am the first member from the Prairie provinces to take part in the emergency debate tonight. As my friend from Lotbinière (Mr. Fortin) said, western Canada suffered from serious problems in the free movement of farm produce. When problems such as those, or others such as the oil crisis, arise, the members of western Canada, of our party, intervenes to speak for the interests of our voters. But when problems affect the province of Quebec, where are the Liberal members? Hon. members from the Conservative party and the NDP are the ones who request an emergency debate.

This matter is of the utmost importance, especially for the Quebec farmers. That is why one is amazed to note the absence this morning of the Minister of Agriculture (Mr. Whelan) and that of the Ferench-speaking ministers from Quebec, except for the Minister who has provincial ambitions in Quebec.

So, where is the Minister of Agriculture? The hon. member for Papineau told us the Minister af Agriculture had an appointment outside Parliament. I should like to point out that my colleague from Joliette (Mr. La Salle) also had an appointment in Montreal, but that he excused himself in order to be here tonight, or rather this morning.

The glaring absence of the Minister of Agriculture and Quebec ministers proves to what extent the government takes for granted the support it got from the Quebecers in the last election, and how lightly it takes a problem that strikes at the very heart of life in Quebec.

This shows very clearly that the Quebec population has no guarantee that in casting such a massive vote for the Liberals its interest will be secured for all that. Quite the contrary. It seems the more members from Quebec the Liberal party gets, the less they care for their province.

[*English*]

The problem we are discussing tonight, Mr. Speaker, is particularly acute for the farmers of Quebec who face immediate and practical problems. These are people who, as all in this House know, are not organized with the same strength as companies, unions and other strong agencies in society. They are people who do not have protection against agencies of size and strength. The problems which these people must face, whether they are problems to do with the weather or of the kind they are facing at present, can literally cripple them in their operations, in their capacity to continue in agriculture and to keep on doing what they have been doing. They have no strike pay to fall back on, no corporate profit to support them.

These people are virtually without protection; their only protection is an appeal to parliament when they are caught up in a dispute with organized agencies of size in the country. Representatives of these farmers have come to members of the House of Commons on all sides. They obtained an active response at least from my colleagues, the hon. member for Bellechasse (Mr. Lambert) and the hon. member for Joliette (Mr. La Salle), in that an emergency debate was forced this evening.

We heard from the Minister of Consumer and Corporate Affairs (Mr. Ouellet), that sudden, emergency minister of agriculture—I presume on the government side they choose an acting minister of agriculture by flipping a coin—a good deal of nonsense when he intervened in the debate, before he fled. I can understand his leaving suddenly after delivering the kind of speech that we heard.

An hon. Member: At nine o'clock this evening.

Mr. Clark (Rocky Mountain): As my colleague points out, that minister left at nine o'clock this evening. He suggested there was feed grain at Prescott and all that farmers need to do is go and get it. He suggested there was grain at Montreal. Surely the facts placed before the House must be known even to this instant minister of agriculture from metropolitan Montreal. Surely he knows that in Montreal the practice has been established amongst dealers of serving their own customers first. That does not help people in need in other parts of Quebec. Surely the minister must know that the cost of transportation, if those farmers were to go to Prescott, would be serious, particularly for people who are operating on low incomes, low margins and face great problems.

That minister ought to know, unless he has travelled all his life on pavement in Quebec, that we are in the midst of a season when in that province certain kinds of travel on certain roads is banned and it is not possible for trucks to travel on those roads because of the heavy weights involved. When he says there is feed grain at Prescott, he might as well say the farmers should go to Saskatoon, to Rio de Janeiro or other places to which it is practically impossible for them to go. That is the kind of nonsense he spoke tonight. I say it is no wonder, having made that kind of speech, that he left at nine o'clock.

The point which must be driven home concerns the responsibility of the government, a government elected largely with the support of those people whose problem now occupies the attention of this House. The problem was referred to by my colleague from Joliette and by the hon. member for Bellechasse. It is not a sudden problem, not a surprise problem. My colleague from Joliette raised the matter in the House two weeks ago. The government knew about the problem: it knew that a problem existed for people singularly ill-equipped to deal with the kind of difficulties they are now facing. Yet even as recently as a few days ago the Minister of Agriculture (Mr. Whelan) did not know what was going on. On April 8, replying to a question from my side of the House, as recorded on page 4593 of *Hansard* he said:

—according to information I have received today most people still have some stocks of grain and there is no real loss of feed stocks. That is, no livestock or poultry are going without feed. We are watching the situation very closely—

So on April 8 the situation was being watched closely. On April 10 his tune changed. Somebody told him what was going on and he said, "There will be some loss of poultry and livestock." He admitted the problem was serious. But even now, seven days afterwards, we still do not see any plan of action for coming to the aid of these people who are among those in Canada least equipped to help themselves when caught in a conflict between agencies of size. They face problems which literally can mean the end of their livelihood, the end of their capacity to carry on.

Let me refer to the acting prime minister, and I underline the word "acting".

An hon. Member: As a noun, or a verb?

● (0010)

Mr. Clark (Rocky Mountain): Of course, it is a moment of glory for any members of parliament from Quebec to sit on the government side, generally in anonymity. There is an opportunity for any of them, perhaps by flipping a coin. Perhaps if it were by the loudest voice the hon. member for Hamilton Mountain (Mr. MacFarlane) would prevail. There is an opportunity tonight for any of them to be acting Prime Minister. The actor acting as Prime Minister on April 10 declined to answer because mediation efforts were then under way. That was eight days after they had broken down.

This indicates the degree to which the government keeps track of what is going on in this matter. It might be of so little importance to it that no minister of the cabinet is here now and only two showed up for the debate, but this is a very great concern to the people of Quebec who are directly affected. They are caught in the squeeze between these agencies of size against which they individually cannot compete.

All of us who come from or have any knowledge of agricultural matters know the urgency with which this problem must be addressed. We know the problem that faces the farmers of Quebec. They now face the prospect of having to try to get by without feed, having to kill cattle prematurely, and undermining what little chance for profit they now have.

This is clearly a case where simple compassion should cause the government to move to action quickly. However, we have gone on since the hon. member for Joliette raised this matter two weeks ago. Literally nothing has been done. The government has not even kept itself up to date on developments in the matter, and no minister is here tonight to explain what the government might contemplate doing.

The point has been made—I know it does not need repetition, but I will say it one more time—that governments are elected to do certain jobs. They are elected to exercise responsibility. It is not enough for someone in the back bench of the government party to shout across the floor, "What would you do?". The point is that for whatever reasons or whatever justification, the government was elected to serve as a government. It was elected to assume responsibilities, not to shunt them off.

The point that is particularly ironic tonight is that the government was elected almost primarily because of the support of people in a province toward whose interests it has cast a blind eye for the past two weeks. That is terrible.

An hon. Member: Don't be partisan.

Mr. Clark (Rocky Mountain): I am advised by a member opposite not to be partisan. I am not being partisan. If it is partisan to suggest that a government, once elected, has the responsibility to act, then I am being partisan. That is a simple statement of the responsibility of government. It perhaps should not be surprising that that comes as something of a revelation to members on the other side. They either sit in silence or simply pound their desks despite the failure of the government ministers to show up for a debate, let alone come to the aid of people whose votes, support and confidence are the single reason why many members opposite are here. Those people must be asking themselves what was involved when they vested that confidence in members opposite who have shown so little concern for their condition that it required the hon. member for Joliette and the hon. member for Bellechasse to cause this debate tonight, which is proceeding without the participation and apparently without the interest of ministers of the Crown, particularly those most directly responsible.

The government has the responsibility to act, not to pass things off to other parties or agencies, and not to duck. The Minister of Agriculture (Mr. Whelan), who should be in the centre of the action, is not here. He at least sent an excuse. The Minister of Labour did not do that. The Prime Minister is not here. The Minister of Consumer and Corporate Affairs (Mr. Ouellet), the new chief in Quebec, fled after making a speech. He did not dare stay to try to defend it. None are here. However, these are the people responsible for carrying out the responsibilities vested in them by the very people whose problems brought us to a debate in the House of Commons at 17 minutes after midnight on a night that most of us expected to have off. It is perhaps worth noting that while many members chose to come here and debate this question, the Prime Minister, the Minister of Agriculture and the Minister of Labour took the night off. That is shameful.

When the parliamentary secretary intervened earlier he said that certain matters were being considered. As I understood him, the government is considering the possibility of some sort of rail transport and other options. Why so late? Why did consideration of those matters not begin when my colleague from Joliette raised the question in the House of Commons? Why has there been a delay which has caused such uncertainty and many problems for so many people from the province which elected most members across the way?

The government has a clear responsibility to act in a way which will help these people, numbered among the people less capable because of their lack of forceful organization. As the elected Government of Canada it has a responsibility to help them in a country that is increasingly dominated by agencies of size.

If this debate has no more purpose tonight, I hope that at least when the Prime Minister, the Minister of Labour and the Minister of Agriculture wake up from the long, restful sleep they are taking while we are here, they will peruse some of the debate and see the concern that has been consistently expressed by members on this side of the House, especially by backbench members from the areas where the problems of which we speak tonight are most acute.

The government has the power to act. It has known about the problem and the seriousness of it for at least two weeks. It has done nothing. That, Mr. Speaker, is shameful.

[*Translation*]

Mr. Béchard: On a point of order, Mr. Speaker.

The Deputy Speaker: The hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) is rising on a point of order.

Mr. Béchard: Mr. Speaker, I rise on a point of order to put a suggestion to the House. In view of the late hour and of the number of members wishing to take part into the debate, could we not, with the unanimous consent, decide that those who will speak from now on will limit themselves to 10 minutes in order to allow every member who wish to speak to do so?

Some hon. Members: No.

[*English*]

Mr. Deputy Speaker: Hon. members have heard the suggestions of the hon. member for Boanventure-Îles-de-la Madeleine (Mr. Béchard) that speeches be limited to ten minutes. This can only be done by unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Paproski: Mr. Speaker, some members' speeches are a little longer than ten or 15 minutes and I think we should carry on as we have been.

Mr. Deputy Speaker: As long as they do not go beyond 20 minutes, I have no objection.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, it being well after midnight I will not take the time of the House during this emergency debate to repeat in perhaps different words the substance of the harmful dock strike at Montreal, Three Rivers and Quebec which my colleagues before me have already given. Instead, I would like to point out some of the outdated and antiquated means which the government seems to have accepted as a way of life when dealing with labour disputes such as the one we are presently discussing.

I must first give credit to the hon. member for Joliette (Mr. La Salle) and the hon. member for Bellechasse (Mr. Lambert) who are responsible for bringing this emergency debate before the House at this time. Looking at the record of Liberal management I doubt whether we in this House of Commons would even be discussing this particular strike, certainly not before we were faced with the loss of thousands of heads of livestock and poultry due to the stoppage of grain deliveries. This is precisely my point—the fact that the Liberal government, when dealing with this or any other strikes, be they legal as is the one we are considering tonight, or illegal as has been the case much too often in the past, does not act until after the fact, after the harm has been done, after millions of dollars have been lost, after thousands, indeed millions, of working man days of productivity have been wasted.

● (0020)

Time after time the government sits complacently by while irreparable damage is done to the economy by strikes and walk-outs, and this during a period in which the economy certainly does not need an increase in domestic problems—there is enough reason for anxiety as a result of international pressures. In my opinion there is no question that the main cause of internal domestic inflation is the ever-increasing rate of work stoppages and strikes, be they legal or illegal. If the country is to survive the system it was built on, immediate action must be taken in this area.

I believe there is urgent need for federal legislation requiring union groups in a single public service sector to bargain with the Treasury Board on a joint basis only for an agreement of perhaps not less than three years duration. The result, in the simplest terms, would be an assurance to the taxpaying public that each essential service sector would be strike-free, except for the possibility of a walk-out every three years or so. There is no better example of the need for such legislation than the dock strikes which are taking place in Quebec today, when we consider that only recently parliament was obliged to introduce back-to-work legislation affecting dock workers in British Columbia. The railways, the Post Office, airlines and other services run the same risk of disruption as a result of the fragmentation of union bargaining.

It is ironic that when I brought the suggestion of single sector bargaining before the House, as I did on several occasions in the past month or so, the President of the Treasury Board (Mr. Chrétien) scoffed at the idea, and the Minister of Labour (Mr. Munro) had no comment except to say that he was not in a position to discuss labour problems at the time. Of course at that point the minister had his dredging problems to worry about, so we must excuse him for not wanting to discuss problems relating to labour.

Things are looking up, however, because in answer to a similar question regarding single sector bargaining which I put to him today in the House he said that though he could not assure me that legislation was now being considered, simply because he was not at all certain that legislation was the best way to achieve a particular result desired, he could state that a fair amount of work had been going on within the department itself to see how single sector bargaining could be encouraged; talks with both management and labour had been going on with respect to it, and certainly on the labour side he had been receiving considerable encouragement. That answer, in itself, is encouraging to me since it shows that the government does, at times, listen to ideas from the opposition. Perhaps if we are sufficiently insistent, some of them will be adopted.

Directly connected with this strike and with the emergency debate upon which we are now engaged is a private member's bill, Bill C-386, which I introduced just three weeks ago. Since it is relevant to precisely the situation we are discussing tonight, allow me to quote briefly from this bill. It is an act to amend the Canada Labour Code, and I will read the first section of the proposed amendment.

181(1) Where

(a) a strike or lockout not prohibited by this part is apprehended or has occurred, and

(b) the strike or lockout would, in the opinion of the governor in council adversely affect the national or public interest if it occurred or continued,

the governor in council may refer the dispute or difference that may cause or has caused the strike or lockout to an industrial inquiry commission for investigation, report and recommendation.

(2) Forthwith upon the appointment of the commission

(a) the strike or lockout, apprehended or occurring in respect of such dispute or difference, is prohibited;

(b) no employee shall strike and no employer shall lock out his employees, and

(c) a strike or lockout that has occurred shall cease.

We should take note of a further clause in the same measure, clause 5:

An order made under this section expires upon the execution of a collective agreement by the parties to the dispute or difference.

What the bill seeks to do is to disencourage and, where necessary, to prohibit irresponsible actions by any of the parties to collective bargaining. It seeks to reduce or remove the danger to the citizens of our country of unlawful and irresponsible strikes, lockouts, and other actions undertaken from time to time by either labour or management when there are breakdowns in contract negotiations. The power vested in the government to prohibit or order the end of a strike or lock-out can only be used when it is established that such actions would be against the public interest. This is not unreasonable. We are not living in the age of sweatshops, child labour, 14-hour work days—

An hon. Member: Oh?

Mr. Jelinek: —or other oppressive and inhumane employment practices. Those years are behind us, but in many respects the laws and methods which were used to correct those abuses are still with us. I do not have to tell hon. members on this side of the House that the unions have brought humanity and dignity to the process of bargaining for better working conditions, better salaries, better pensions, and many other improvements in the lot of the working man and woman. It has been a long and hard-fought battle, and they have won. Today working men and women have a say in deciding what their conditions of work will be, and how much they will be paid for doing a particular job.

In recent years management too has been embroiled in the process of improving working conditions and salaries along with efforts to improve the quality and volume of its products. In most cases better working conditions and better morale can be translated into higher quality, improved production, and fewer industrial accidents. These things are just as important to management as they are to labour.

We are all thankful that, except in isolated incidences, brutal and vicious confrontations between labour and management are a thing of the past. It has become apparent, Mr. Speaker, that when such consultations occur today, both workers and management lose. Workers lose their wages, and in many cases plants are forced to close because they cannot settle their disputes with their employees. In these cases the workers lose their jobs, which is always tragic.

In recent months, however, we have seen a return of irresponsible, confrontation-type actions on the part of some labour unions and, in some cases, on the part of management. We have seen instances of the refusal of the parties to bargain in good faith, resulting in strikes which should not have been called. If we are only interested in dealing with crises after they have had a chance to disrupt the economy, and impose undue hardship on the people of our country, the present labour code is perhaps adequate. However, I cannot believe that the majority of the people, or that the majority of the members of this House, will continue to be content to deal with these situations only after they have reached the crisis stage.

Prevention is almost always more acceptable than a cure. It is less costly, it is usually less painful. The cost of a crippling national strike is too great, the bad feelings are never completely forgotten, and there are always many people who never really recover from its effects.

● (0030)

We must remember that a great number of workers would prefer to stay on the job, or at least would be in favour of returning to their jobs before they are ordered back by parliament. In many cases workers are coerced, even threatened, if they do not go along with the wishes of the union executive. There was an example of this in my own riding, which is mostly a working riding, recently. Just last month I sent a questionnaire to my constituents, and one of the questions asked whether my constituents would approve of the right to strike being taken away from workers in essential services. I have received over 4,500 replies to date, and over 85 per cent of these favour such a move.

Anyone who reads the newspapers and watches television knows this to be so, and that is not responsible union conduct. I know that some union leaders feel that they must be involved in controversy and confrontation with management to justify their positions and their high salaries, and I know that there are lawyers who represent unions in such situations who stand to gain much from labour disputes that drag on and on.

But we must not refrain from strengthening the labour code in order to please a few. We must update the labour code and bring it into the 1970's in order to protect the many. We cannot continue to stand by and watch our country being brought to its knees through the actions of an irresponsible minority.

Under our present laws it is necessary to move a motion in parliament in order to deal with serious work stoppages in essential services and industries. If parliament is not in session the members must be flown in from around the country, and it could take days or even weeks for legislation to be framed, debated, and approved, to send workers

back to their jobs. Aside from being cumbersome and costly, this procedure is also quite often a case of too little, too late. By the time we go through the motions of assembling parliament and approving back to work legislation, considerable and unnecessary damage could be, and usually is, caused by the strike. It would be much better to place specific and implicit authority in the hands of the government to deal with emergency situations threatened by actual or apprehended strikes.

If the suggestion in the proposed bill is accepted, the government will have the authority, and will have the responsibility, to provide such service in any future situations of that kind. The government will be able to stop a strike that shows promise of jeopardizing the health and safety of the people of our country, and prohibit a strike from occurring. It will be able to order negotiations to proceed in the event of a breakdown in contract negotiations, and it will be able to impose binding arbitration on management as well as labour. There is, of course, a provision for setting aside any decision of the industrial inquiry commission on the execution of a collective agreement by the parties to a labour dispute affected by this legislation.

It can be seen that every effort has been made to respect and preserve both the letter and the spirit of collective bargaining. My idea encourages rather than discourages collective bargaining, and in the final analysis it is intended solely to eliminate irresponsible actions and conduct from labour-management relations. I would not say that it is the whole answer, or that sweetness and light and total harmony will result immediately upon the approval of such a bill. But it would be a start.

Any conscientious citizen of this country must realize that now is the time to start before our country deteriorates any further due to labour unrest. We must begin setting down concrete measures rather than ad hoc pieces of legislation. We must begin to lay the groundwork, whether it be by adopting single sector bargaining or even considering the possibility of abolishing the right to strike in essential services. This groundwork must be laid not only for the present and existing problems but, more important, for the future.

[*Translation*]

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I would like first of all to thank the hon. member for Bellechasse (Mr. Lambert) for bringing this important matter to the attention of this House this evening, and giving us an opportunity to participate in this debate which is most important to every member concerned and to every member of this House.

Although he deserves commendation for that action and for a most constructive speech, perhaps the only intelligent one from the other side this evening, this may not be the best forum for the solution of an increasingly urgent problem. Because this room is too often turned into a temple of the spoken word. And that is all we heard this evening, words. All the speakers we heard from the other side tried to accuse us, they seeked one by one ministers, first or second benchers, asking where they were, whether they were banqueting or sleeping, in an attempt to have the Canadian people believe government ministers are not interested in the problems which are now of concern to Quebecers. It is not by spending evenings here listening to such nonsense as we have been getting from the other side that we will solve the movement of grains in Quebec.

Up until now, no reference has been made to the facts. What is really going on in Quebec presently? It has been said that grains do not move because of the longshoremen's strike. What are the facts, exactly? There are now 1,200 longshoremen in dispute with the Maritime Employers Association in the ports of Quebec City, Montreal and Trois-Rivières. The conciliation board chaired by Mr. Justice Gold submitted after the conclusion of the collective agreement on December 30, 1973, various measures aimed at solving the dispute. Among other measures, Mr. Justice Gold recommended a 57 percent salary increase over a two-year period. Present longshoremen wages in Quebec City, Montreal and Trois-Rivières average $5.10 an hour. In his conciliation report, Mr. Justice Gold also recommended a 1,600-hour per year guarantee for Montreal longshoremen 1,400 for those in Quebec city and 1,200 in Trois-Rivières. The members of the International Longshoremen Association did not accept that report. They in turn ask for a 52 40-hour-week guarantee, that is 2,080 hours a year for an average of $20,000 yearly wages.

They also object, perhaps rightly, to the around-the-clock availability clause, believing that such a clause could be prejudicial to them in their dealings with their employer. Since the positions seemed to be increasingly hardening as much on one side as on the other, as a result of that deadlock, the government appointed an arbitrator, Mr. Charles Poirier, but unfortunately, for the past few days, Mr. Poirier has remained constantly available to meet the two parties involved, but nobody up to now during the past few hours or days has resorted to his services. Now, even if those negotiations have not broken down, they have at least reached a standstill and this is why it is becoming more and more urgent that the movement of feed grain be restored in Quebec.

The closing of the ports in Montreal, Quebec City and Trois-Rivières prevents that movement of feed grain and, consequently, gives rise to very serious problems for farm producers and secondly for Quebec consumers.

The current situation prevailing in Quebec ports was described tonight by several of my colleagues but the fact is that the details given by the Minister of Consumer and Corporate Affairs (Mr. Ouellet) as well as the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) shed a little more light on the situation as it now stands. We know, as we were told, that an injunction was granted which will quite probably be extended for a further period of 10 days for the port of Quebec City. At present, the port is open and trucks can run. Unfortunately, as was also mentioned, most of the grain supplies now available in Quebec City are made out of corn, and feed grain must be obtained from other ports. In Trois-Rivières, unfortunately, access to elevators is entirely impossible at present and quite the same occurs in Montreal with the exception of four trucks which managed this morning to reach the elevators, load and leave before 7 o'clock in the morning, when picket lines were set up. With the exception of four trucks this morning, the situation is the same as in Trois-Rivières. The Quebec Federated Cooperative asked today for an injunction for Montreal, and if granted,

it can take effect as early as Friday. Millers and farm producers in the area of Montreal and Trois-Rivières must haul grain from Prescott by truck. That is no doubt quite detrimental to the economic well-being of Quebec producers because they then have to pay $7 a ton more for grain. Producers on the Northern shore which includes Charlevoix and lower St. Lawrence producers must pay between $10 and $12 more than the normal price for grain coming from Prescott.

But there is another problem. Some dealers now take advantage of the situation and sometimes ask between 5 cents and 10 cents more per cwt. Thus, in a conflict—and it is not a matter of judging whether it is justified or not—in a conflict, as the Postmaster General (Mr. Mackasey) explained, opposing longshoremen to their employers, it is farmers and, altumately consumers who will have to foot the bill, and that is the reason why I am glad to support the request submitted by the hon. member for Saint-Hyacinthe (Mr. Wagner), that is to ask longshoremen to act as good citizens by allowing farmers access to grain elevators now.

In an emergency situation like the one we are now facing, Mr. Speaker, we hear many different things. One speaker tonight said that pigs were eating each other; they must be cannibal pigs, certainly not pigs from Charlevoix.

I am happy to welcome the Minister of Agriculture, Mr. Speaker. In spite of his absence from Ottawa, explained several times tonight in the House, the members of the Opposition have continued to criticize him in an attempt to prove that he is not interested in the problems of Quebec farmers. That is completely false, and the Minister's presence in the House at 1:45 is a proof of his interest in the problems we are now facing.

● (0040)

[*English*]

Some hon. Members: Hear, hear!

An hon. Member: Now the Minister of Agriculture (Mr. Whelan) is back. He must have thought it was over.

An hon. Member: Who said he wasn't here?

Mr. Clark (Rocky Mountain): Five hours late.

An hon. Member: He didn't miss anything when you spoke.

Mr. Paproski: Who woke him up? Where are the other ministers? Where is your lieutenant from Quebec, Lalonde?

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Boulanger): Order, please. I think hon. members should listen to the hon. member who has the floor.

[*Translation*]

Mr. Lapointe: Mr. Speaker, if Charlevoix has no carnivorous pigs and no chickens fluttering because they are not fed enough grain, the producers of the area as all those in Quebec are experiencing very urgent problems and, as all other members on this side of the House who represent Quebec ridings, we have a heart to find a solution as quickly as possible to a situation that is getting more and more difficult.

The problem we now have is not so much with supply in Quebec ports, because, as the parliamentary secretary to the Minister of Agriculture has indicated, measures have been taken. For instance, two ships are now on their way to ports on the St. Lawrence, another has been rerouted towards Prescott, thus making stocking possible, etc. We are experiencing a labour dispute, and in a country with a democratic tradition as Canada, we must let negotiations proceed freely and avoid bringing all problems before Parliament to settle labour relations. The longshoremen are availing themselves of a legitimate right which this Parliament has granted to them as well as to all other Canadians; moreover, theirs is a legal strike. However, as the Prime Minister indicated in the House yesterday in reply to a question from the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard), the common interest must be taken into account. And like all other hon. members on this side, I feel that the government is acting wisely, before introducing any special legislation in the House, letting the bargaining process take its course, before considering legislative action. If we were to act too quickly, as it is always the case when we introduce a special legislation to force strikers back to work, NDP members would accuse us of facism, while Progressive Conservative members would join our Social Credit friends in branding us as socialists.

If we favour bargaining and make use of every possible means of reaching a harmonious settlement to a dispute, some hon. members, as the hon. member for Joliette (Mr. La Salle) did so inconsequently tonight, would accuse us of carelessness and weakness, while others would say that hon. members from the Province of Quebec are nothing but pawns in the House for respecting the rights we have granted to these people as to any other group of Canadians. The hon. members from this side are aware of the serious situation which prevails in Quebec. We know that it is extremely serious. And when the time comes, if it does come, the government will certainly not hesitate introducing a special legislation. That is what I call leadership.

[*English*]

Mr. Arnold Malone (Battle River): Mr. Speaker, I think we are privileged in this House that the hon. member for Bellechasse (Mr. Lambert) and the hon. member for Joliette (Mr. La Salle) have brought this important matter to our attention. I feel a certain sense of privilege in having the opportunity to speak on it, not only because I come from the rural riding of Battle River, in the province of Alberta, and not only because this is a matter that affects all Canadians but, more importantly, because it is an international problem that faces the whole agricultural industry. The fact is that every nation in the world which depends on an agricultural economy is among the world's poorest countries, and every industrialized nation of the world can look to its economic sectors and note that the agricultural regions are among the poorest of the country.

In this debate tonight, when talking about the agricultural industry we can show by facts and statistics, it has taken a back seat and, more importantly, that this govern-

ment has turned a blind eye on this extremely important industry. This is an industry on which every one of us is absolutely dependent. I would suggest that probably no member of this House has gone for 48 hours without food, and I would suspect that most have never gone even 24 hours without food.

● (0050)

Farming is the business of food production, and yet what do we see in this country in terms of support for the agricultural industry? A 25 cent loaf of bread, even if the farmers gave their wheat away, would still cost 23 cents. That simply shows that farmers are not getting much of a fair shake. I would like to point out the fact that the agricultural industry is certainly an industry that has pulled its own weight in society and it deserves credit.

Some hon. Members: Hear, hear!

Mr. Malone: At this late hour of five minutes to one, we could take a look at some information released by the Minister of Agriculture (Mr. Whelan) who, some moments ago, arrived from a Liberal fund raising meeting. It is stated that in 1940 a farmer could produce enough—

Mr. Whelan: I rise on a point of order, Madam Speaker. I am sure the hon. member would not want to put anything on the record that was incorrect. Most times I find him to be accurate. Let me tell him that I attended the Brampton Rural-Urban night in Brampton, Ontario. It was no fund raising meeting but a public meeting called by the Brampton Board of Trade.

Mr. Malone: I will change the word fund to fun. The important thing is that in 1940 a farmer could produce enough to feed himself, his wife and ten other people, but in 1975 a farmer can produce enough to feed himself, his wife and 50 other people. What I am trying to point out is that production by farm people, wherever they might be in this country, has significantly increased, but it is of ultimate importance that we realize that farmers are leaving farms in this country because they are not receiving the support of society as a whole. How do we know that? The fact of the matter is that every day, for the last 20 years, 31 farmers have gone out of business. That shows that agriculture is a kind of industry that is either unpopular or is receiving insufficient support. In talking to people in rural communities across the country I find that quite obviously the latter is the case.

Let us take a look at what a former Liberal member of this House, now a Senator, the Hon. Harry Hays, has to say about Canadian support of agriculture. He said:

With the exception of Denmark, Canada has the lowest percentage of public support for the agriculture industry of any country.

I want to say that out of farmers' net income Canada provides, through support of one form or another, 1.7 per cent, the United States provides 17 per cent, France provides 50 per cent, and the U.K. provides 67 per cent. This country ranks lowest in terms of the way it supports its agricultural industry. This leads me to point out that there are three sectors of our society that continually receive extremely poor support from the government, and that simply do not have the kind of clout they should have to give these industries the support they need. Those three are agriculture, fisheries and forestry.

Two of those industries deal with food production. The irony lies in the fact that, on a world basis, food takes up 40 per cent of our disposable income, and yet not one nation in the world gives top priority to food production. What perhaps is more curious still is that most nations put the lowest priority on agriculture, and I will demonstrate this again later when I deal with the strike situation and show that a very low priority is given to people in the agricultural industry who are affected.

The Minister of Agriculture has stated in some of the information that he circulated to our offices that farmers get fewer subsidy dollars than most other sectors of our economy. The average tariff protection for farm products is 8 per cent, but for non-farm products it is 16 per cent. This is another proof that farming in this nation is not protected. In Canada more than one third of all jobs are directly or indirectly related to agriculture. That simply emphasizes the fact that we should be giving the highest priority to agriculture because it affects one third of all the people in this country.

Let us take a look at the present situation, at the strike damage and at how it affects the agricultural industry. What are we doing about it? I should like to point out that here is an industry whose members cannot strike because of its very structure, because of the way farmers are organized, and because they lack the mechanism with which to fight back. Of the 35 weeks following the start of the crop year, at the end of July, 1974, there were only six weeks of free movement of grain to the port of Vancouver. The rest of the time there were either strike actions or derailments of trains on the trackage.

Let us take a look at the agricultural industry as it relates to what is coming up soon. In this year ten contracts which will affect the movement of grain out of Vancouver come up for renewal, three of those being related to railroads, two to the Government of Canada, two to longshoremen—one to the workers and the other to the foremen—one to the handlers, one to tugboat operators, and one to marine pilots. Every one of those contracts has the potential to stop the grain industry. Yet do we ever see legislation to make these contracts run out at the same time, or even to give compensation to the agricultural industry which cannot fight back?

Tonight we are back in the House again, this time because strike damage is being done to the agricultural industry in the province of Quebec, more specifically to a group of people who are not in a position to fight back. Farmers are not in a position to protect themselves from strike action.

To make the situation even worse, labour organizations are striking against management, thereby incurring major expenses. Instead of either labour or management absorbing the expense, it is charged to farmers. This is done through demurrage charges which, I charge, is something which is illegal because there is no precedent in our society for two people incurring a direct cash cost and charging it to a third party. This is no longer merely a nuisance or an inconvenience. It is a direct expense which is finally charged to a third party. Farmers do not have collective bargaining powers. When their prices go up they

cannot establish new prices in the market because the market establishes them itself.

● (0100)

So we find that a group of people from one end of this country to the other are simply victims of the collective bargaining system, with a government unwilling to take action to give the protection they need. Farmers have doubled their output in the last ten years, while others in our society have increased their output by only 40 per cent. The way this country responds to that is to shrug its shoulders and say, "So what".

We are here tonight to debate an issue of paramount importance, yet a third minister has arrived just moments ago, and no minister has stayed here for longer than the duration of his own speech.

This is a problem of tremendous importance to an industry, and I simply repeat that agriculture, fisheries and forestry are considered to be low on the totem pole.

When these problems arise, people simply turn a blind eye and do not care. Considering once more how agriculture is treated with a low priority in this country, recently the cost of food was reported by Statistics Canada to be reduced. There is a hoop-la about that. Not once has it been mentioned that the reduced cost of this food is borne by the farmer. The farmer has paid for every cent of advantage which has gone to the consumer for cheaper food. I think we should recognize that farm people have certainly increased their efficiency, and they are doing it more cheaply, yet they do not have the protection of society which they ought to have.

According to the Food and Agricultural Organization of the United Nations, 460 million people live in a state of malnutrition. To paint the picture clearly, that is as many people as there are in Britain, Germany, France, Italy, and the rest of Europe. While there is a famine aspect to the world food crisis, the malnutrition aspect is an old scandal and one which the rich, well fed nations have learned to live with, Mr. Speaker.

We witnessed just recently what we in this country called an energy crisis. We worried about where we would get fuel to heat our homes and to drive our cars. Through that crisis there was only a whisper of the fact that nitrogen fertilizer is 100 per cent a product of the petroleum industry. As we look around the world we note that this year we will fall three and a half billion tons short of its nitrogen fertilizer, requirements. No emphasis was placed on that problem, and the simple reason was that it dealt with agriculture. It is about time that this nation began to realize what agriculture is. It is the business of food production, and without it we do not live, we do not develop strong minds and bodies, and we do not have a society of value or worth.

Part of this debate tonight is meant to give a status to an industry which has been held far too long at the bottom of the totem pole, along with fisheries and forestry.

To share some information, I would like to point out that Canada is the world's largest exporter of rapeseed. Rapeseed was brought into this country after studies and experiments at the dominion experimental stations. The investment in those experiments was extremely small, yet rapeseed has developed into a billion dollar industry for this country. When we consider the importance of agriculture to Canada and compare that with the amount expended in agricultural research, we should be ashamed.

We should also recognize just the very fact of growing wheat. Most people do not realize that if it were not for experimental studies, which are continually developing new varieties of wheat, the province of Manitoba and most of southern Saskatchewan would not be able to grow wheat longer than five years, because that is about how long it takes for the species of varieties which cause rust in wheat grains to develop enough strength against the rust resistant varieties. I am trying once again to demonstrate that it is the experimental stations which are making it possible that the wheat industry continues in southern Saskatchewan and in most of Manitoba. The amount of money we put into that is extremely small.

We are once again in an emergency debate with regard to agriculture because we have allowed it to grow to the crisis stage, rather than looking at this as a major industry, and with a philosophy and objective that this industry should not only be protected from coast to coast, but we should give it a major importance both in research and support prices and in terms of selling it abroad. This is an industry which could become as well to do as any other, and which could assist us in an economic way. Certainly the data we have ought to underscore that. It is a simple fact that Saunders wheat brought another billion dollar industry to this country, which cost the experimental stations almost nothing in terms of their work.

In 1978 the international soil scientists conference will be coming to this country. The support of the federal government for that conference is so meagre that it is shameful to announce it in the House. Yet in Vancouver this year there is tremendous support in the form of millions of dollars going into the international urbanization conference which will be held in that city. I do not begrudge it getting that money, but I simply point out that the agricultural industry, which feeds us, gives us healthy bodies and minds, protects us from going blind from a deficiency of vitamin A, and which provides protein and energy for our bodies, is the very industry we simply do not recognize as having importance in this country.

We are here tonight because there is a crisis in Quebec, which is just another crisis heaped upon crises because the government started off with the wrong philosophy in the first place. We are talking about animals which are about to starve, about poultry which will not be getting food, about elevators which are empty, and about transportation to them and other elevators which are full. But farmers do not have that transportation, and yet we are being told that the farmers of Quebec can get grain. The fact of the matter is that the roads will not provide sufficiently, and there is nothing to account for the expense. Once again the government has not cared about the most important industry.

● (0110)

[*Translation*]

Mr. Pierre Bussières (Portneuf): Madam Speaker, I am obviously quite happy to take part in this debate which deals with feed grain supplies to farmers and agricultural

producers in Quebec. The urgency of the situation has been stressed often enough, and yet comments in today's papers tended to fit with the description given by the hon. minister of Consumer and Corporate Affairs (Mr. Ouellet), to the effect that the situation is serious but, thanks to the measures taken by the government, has not yet become an emergency.

When farmers are hampered by a problem, society as a whole is affected, and not just a marginal group, a small group, not just agricultural producers, but each and every citizen who depends on agricultural products for his food.

Unfortunately, that element is not always felt in the reactions of public opinion. It can be frequently noted that whenever there is an increase in the price of agricultural products, whether it be milk or butter or other food products, it is immediately followed by an outcry of indignation in the papers and among people. However, no one worries about the income of farmers.

When there is a union claim for a salary increase, people agree, they say it is fine, and one should make a good salary. But in fact, who cares about an increase in the farmers' incomes? Who cares constantly about working hours and working conditions for farmers? Farmers in Quebec still have difficulties now which stem from a labour dispute. That workers' dispute, that labour dispute which is at the root, at the origin of that difficult situation for farmers makes the situation even more tricky and delicate.

We on this side of the House believe that the labour relations system in Canada should be a liberal system, we believe in negotiations, we believe in the right to strike as a means of obtaining better salaries and better working conditions.

We often talk in this House about labour disputes when strikes as means of pressure are put into practice and cause hardships, but we very seldom hold emergency debates to emphasize labour disputes which are settled.

In today's papers, there was mention of a labour dispute which has been ironed out, but nobody during the debate tonight has stressed it. This labour dispute which has been solved through negotiations dealt precisely with harbours, and particularly with the Montreal harbour. That is not very far away from the discussions we are having. With their acceptance of the last propositions made by the harbour authorities, the members of the Montreal harbour labour union (CNTU) have definitely put away the threat of work stoppage they had held over the harbour for two months. It is said that since the Trudeau government already gave premiums on salary scales, a majority of union members could be obtained to solve the problem.

There was no need for special legislation, there was no need for a special debate, the strike was solved, but no one talked about it. But if a labour conflict is troublesome—it is normal that a strike be troublesome, it is a means of pressure—immediately we want a special debate. I do not want to say that respecting the right of longshoremen to strike solves the problem of feed grain supplies for our farm producers, far from it. What I want to say is that we should distinguish between one right which belongs to the longshoremen and another which concerns supplying. The longshoremen have a right to strike, the have a right to use a means of pressure to improve their working conditions, we respect this right until, as the Prime Minister (Mr. Trudeau) said, this really endangers the common good.

[Mr. Bussières.]

The longshoremen have the right to strike, the farmers have the right to obtain supplies to feed their animals. Not only do they have this right, but they also have the duty to do it. They have the duty to feed their stock to maintain good meat quality and also to protect the balance of farm production. They also have the duty to think about the consequences that their neglect at feeding their stock could have on the population, and also the duty to think that insufficiency or malnutrition could cause irreparable damages to our farm production. It is an awareness of these duties that this debate should give all members of the House, an awareness of this need, of this duty of farm producers to feed their cattle and of our own duty to examine their possibilities of improving and simplifying their grain supplies.

As a short term solution, I would like to repeat what my colleague for Charlevoix (Mr. Lapointe) said earlier, that all members of this House ask the longshoremen in the ports of Quebec City, Trois-Rivières and Montreal to allow the millers to obtain supplies in the next few days.

Madam Speaker, I would like all hon. members here in this House to agree unanimously on this request to longshoremen. They are not forced to go back to work by legislation or by bludgeon. We say: You too must realize that farmers have a fundamental duty to feed their stock; let them gain access to the warehouses so they can supply themselves, then go on exerting pressure by strike, because the strike can continue.

I am convinced, Madam Speaker, that the longshoremen will hear the voice of reason and that, if we all agree to make this request, they will follow it.

On medium term, we must ensure that other loads are given priority and that the appropriate means will be taken to bring them where they are needed. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) has also reassured us on this point tonight, as did the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau). And I am convinced that the Minister of Agriculture (Mr. Whelan) will confirm these words.

● (0120)

When there are problems, cataclysms, in other countries, airlifts are organized immediately, countries get together to transport, in no time flat, tons of foods of all kinds, anywhere in the world. It is unthinkable that within our own country, we should be unable to get organized too, to transport from one end of it to the other, the feed required to nourish what will feed us in turn tomorrow and to supply the farmers with the grains they need. It is inconceivable that such steps should not have been foreseen, that they cannot be taken quickly.

Over the long term, I believe the Canadian Livestock Feed Board should be authorized to set up reserves and charter adequate means of transport to mitigate such situations. That authority, Madam Speaker, the board should have; and it is up to the government to see to it that it gets it.

At the World Food Conference in Rome, according to the newspapers, discussions dealt with the means to store food supplies in countries stricken with famine or droughts. We have heard of it here too, in Canada because the Canadian delegation took a very active part in those discussions. The Minister of Agriculture himself took part in them.

Regardless of conditions or circumstances, supplies of grains should be ensured in situations such as the one we now know. So much the better if we can ensure the storage of food products in needy countries, but we should also be able to ensure the same to our eastern producers who are now in difficulty; at other times, western producers will have problems, and we must make sure the feed they need is then available. The Canadian Livestock Feed Board must have the means and authority to give those assurances.

In his summary, the hon. member for Joliette (Mr. La Salle) appealed to the honesty of hon. members, and especially to that of the Quebec members who sit on this side of the House. In the same breath, Madam Speaker, the hon. member for Joliette implied something when he uttered a word, the word "cowardice", hinting that some members whom he urged to be honest could be cowards. If we look into the meaning of honesty, we find that it is to describe things according to reality. I wonder how he can urge anyone to be honest when he himself, by implying the word "cowardice", was surely not giving a true account of things and of the exactness of duty, of the sense of duty, of the trust, of the integrity of Liberal members, of my colleagues on this side of the Commons.

Madam Speaker, the situation now existing in the province of Quebec could lead to many things. It is obvious that due to higher costs, our farmers' income will drop. Not many people in our society agree to a lower income. Every day there is talk about indexing, salary increases. Even we are talking about it. Farmers will get less income. Their income had already dropped because of the higher cost of living and following a labour dispute, it will decrease still more. This is not normal and should not happen again.

Also, one wonders whether some animals when they are sent early to the slaughter-house, do have the quality that they could have had, and this is detrimental to the consumers, even though it will not be necessarily detrimental to health, but the product will not have the same quality.

Also there is the danger of an imbalance in our production. If we send cattle to the slaughter-house before the proper time, it is clear, in view of the period where the supplies will not be the same, there will be an imbalance in our production.

Then, to conclude, I wish to remind the members of three suggestions which I feel should be accepted. First, we should ask the longshoremen to allow the millers to have access to supplies; secondly, as Canadians, we should take measures in order that grains reach the places where they are needed; finally, we should give to the Canadian Feed Grain Board the authority and powers necessary to meet such difficulties.

[*English*]

Mr. John Wise (Elgin): Mr. Speaker, I wish to make some comments on the motion before the House dealing with grain tie-ups in Quebec ports. First, however, may I join with other members of this House in complimenting the hon. member for Bellechasse (Mr. Lambert) and my colleague the hon. member for Joliette (Mr. La Salle) for bringing this matter to the attention of the House. We are considering an important and urgent matter, namely, a situation which is preventing feed grain supplies from reaching feed mills and livestock producers in certain communities in Quebec.

There is some argument about the extent of the emergency. Obviously, if this matter is not resolved quickly, some livestock and poultry producers will have no option except to ship to market, and there will be a surplus on the market and prices will be depressed. It is most unfortunate that members on my side of the House once again were compelled to act because of the government's lack of leadership in this situation.

On March 19, less than a month ago, we debated a similar sort of motion dealing with grain movement on the west coast. Strikes, labour disputes, work stoppages, poor rail facilities and services have plagued the entire movement of grain in this country, particularly in the last year. When grain began moving on the St. Lawrence on October 3 last, it was the first such movement of grain since August 7. Obviously, a new method for approaching these difficulties must be found. I submit that only one other industrialized country has lost more man-days through strikes than Canada: that situation is totally unacceptable. The record shows that last year we lost 9.2 million man-days through strikes, an increase of nearly 60 per cent over what we lost in the previous year. That is not a good record of achievement for this government.

The government was warned many times, particularly by members on my side, of feed grain shortages in Quebec and in Quebec elevators. Obviously, those warnings were almost totally dismissed or ignored. It is true that Quebec producers are the most seriously affected, but it is also true that the entire regional economy will suffer if some agreement is not forthcoming immediately. Every Canadian is affected in some way by these disputes, and we feel their effects long after they are settled.

If the government's performance and reliability does not soon improve, and drastically, we stand to lose valuable export markets for our grains. When potential buyers regard Canada as an unreliable supplier of grain, their attitude not only hurts one's pride but it hurts the Canadian economy. We accept orders, sign contracts and then cannot deliver on time. We make commitments to provide food aid, and cannot even deliver the food to the ship which is to carry the food to where it is most needed.

Obviously, inflation and the uncertainty brought about by continuing inflationary pressures continue to be factors in the breakdown of contract negotiations. Unless we are prepared to tackle the problems at the root of our difficulties and allay the fears of organized labour, of public servants and of those on low or fixed incomes who are afraid their incomes will not keep up with the cost of living, we shall continue to see unrest in those segments of our society.

On July 8 last the government was given a clear mandate to govern and to show leadership in solving these problems—and it still lacks an effective policy for dealing

with them. Indeed, we have seen little or no action for coming to grips with this problem. We must give immediate attention to the establishment of a public disputes commission. The difficulty is this: no body or tribunal has been established to examine contracts now in force and to deal with problems and grievances before contracts expire. No single body has been established to encourage or to promote the renegotiation of a contract before its expiry date. I submit that there is necessity for such a commission and its establishment is more urgently needed now than ever before.

If the government does not actively seek a new approach we shall see a repetition of this dismal performance—if not with the grain handlers, then with the public servants. The Canadian people are dissatisfied and impatient, and look to this government for leadership. Government members asked for suggestions. My colleagues have offered suggestions and alternatives in this debate and on previous occasions. So far the government has failed to act: that is the crux of the difficulty.

● (0130)

Let us set up the machinery that is required. Let us restore good faith between management and labour. Let us at least attempt to avoid similar situations. That is a responsibility the Canadian people gave to this government. If the government would move in that direction, Madam Speaker, I am certain it would find support from this side of the House.

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Madam Speaker, I will try to confine myself to the limits I suggested earlier and for that reason, my comments will be very brief.

But I thought it was my duty to participate in this debate for two main reasons. First, because in some way I have suggested this debate tonight because of the question I asked the Right Hon. Prime Minister (Mr. Trudeau) and to the Minister of Agriculture (Mr. Whelan). Indeed, they can laugh in the opposite, they congratulated themselves a short time ago. They say that it should not have partisanship, but if they want to have some, there are others who are able to do so.

Madam Speaker, I would like to repeat for the sake of those who did not hear it, and I believe that with my question I woke up the Opposition and even the member for Saint Hyacinthe (Mr. Wagner) who was far away, heard it and he came back to give his speech tonight and there was only partisanship in the first part and there was fairly good common sense in the second one.

So, Madam Speaker, I repeat the question I asked yesterday. I was referring to a telegram from the Poultry Producers' Federation of Quebec, which has been delivered to my riding office in Bonaventure, but thanks to a very great organization, was immediately transmitted to me and this morning I had the Federation telegram in my office here on the Hill.

Here is the question I put to the Minister of Agriculture (Mr. Whelan):

Has he received a telegram from the Quebec poultry producers association—

[Mr. Wise.]

. . . then I reminded him of the substance of the message. Here is the Minister's answer:

Mr. Speaker, we have received many telegrams but I am not sure if I have seen that one concerning the possible shortage of feed grains. The grain elevator in Quebec City has been opened for two or three days now and grain is moving out of that area. Other ships are moving into the area.

. . . that was said a moment ago. And then I asked the hon. Minister of Labour and in his absence the right hon. Prime Minister, the following question, as reported in page 4807 of yesterday's *Hansard:*

I asked the Minister of Labour, or in his absence, his parliamentary secretary, or the Prime Minister, whether the government intends to take legislative measures identical to those Parliament passed to settle the longshoremen's strike in the port of Vancouver to settle the strike now paralyzing the ports of Montreal, Trois-Rivières and Quebec City?

Here is the Prime Minister's answer:

Mr. Speaker, there always comes a time in a strike when the public interest must be weighed against the right to strike. The government and the cabinet are now in the process of looking into this matter.

That is what rang a bell in the ear of the Opposition. I quote again:

For the time being we have no statement to make, but one thing is sure: the Minister of Labour and the government are watching the situation very closely.

Madam Speaker, at the very beginning of this conflict in the port of Montreal, it were members on the government's side, among whom the hon. member for Charlevoix (Mr. Lapointe), who first brought this to the government's attention, followed by the hon. member for Beauce (Mr. Caron) and the hon. members for Compton (Mr. Tessier) and for Laval (Mr. Roy) and others. Then people will say that the government is aware of the longshoremen's strike thanks to the Opposition.

When the possibility, and the newspapers referred to this at length yesterday, of a settlement other than the one now expected is envisaged, we then say: We must ask for an emergency debate and we shall take credit for it. Those are the people who are asking us to act and to unite, to defend the interests of a seriously affected area and to co-operate not as supporters but as members for an area affected at this time.

When I heard this evening at the very beginning of this debate the hon. member for Joliette (Mr. La Salle), I felt we were back in that dark period which we have unfortunately known in Quebec under a government which has now disappeared and which was called the *Union Nationale*, when the workers and public servants were fighting to unite, to form unions, in order to defend their rights, and God knows that they were downtrodden during that dark period, well, I felt right back in that period once again. This unhealthy situation was fortunately corrected by a government to which the hon. member for Saint-Hyacinthe (Mr. Wagner) belonged, when citizens were allowed to unite to defend their interests and to do so in all freedom.

It is all very well to charge the Minister of Agriculture (Mr. Whelan) with every imaginable sin, but are the hon. member for Joliette and all the others who accused him of those misdeeds aware that there are laws giving those people the right to strike? Do they know that even the Minister of Agriculture as well as the whole cabinet must

obey the laws of Canada and the legislation that we, legislators, adopt here in Parliament?

Madam Speaker, I did not interrupt the hon. member for Joliette when he made his speech tonight and I hope he will extend the same courtesy to me and let me make my comments.

The situation is serious and we do not need, as the Minister of Consumer and Corporate Affairs (Mr. Ouellet) said tonight, to be told about it by the member for Joliette. We do not spend our lives in the clouds, but on the ground and in the province of Quebec. We know the difficulties the farmers have and that the present strikes are creating.

The government will take its responsibilities and, as far as I am concerned, and such was the purpose of the question I asked yesterday, I hope that when all means have been exhausted in an attempt to settle this dispute, I hope that the means used in similar circumstances will be taken as quickly as possible.

The second reasons that prompts me to take part in this debate, Madam Speaker, is that farm animals are not the only ones to be looked after at the present time. I represent the people of Bonaventure-Îles-de-la-Madeleine, and for those who realize what an island is, they will learn perhaps, if they don't already know it, that the people I represent must bring in all their winter supplies before the closing of the shipping season in the fall, because once the shipping is stopped, they cannot think of bringing in supplies except by plane at a prohibitive cost.

Then, when the shipping season opens, the CTMA ships of the Magdalen Islands are berthed in the port of Montreal since the previous fall. All the merchants put in their orders, everyone orders whatever goods he needs; when one is isolated, one knows how important to those people to see the start of the navigation season.

So, now, those boats are standing, waiting in the ports of Montreal and Quebec City. They are kept from loading the supplies so urgently needed in the Magdalen Islands. Trucks are even stopped which come to the hangars to drop their loads; they have to turn around. The situation is this: not only will the animals not have feed in the near future, since a telegram said 24 hours in the case of poultry, but the population of the Magdalen Islands is about to suffer seriously from the longshoremen's strike. That is why, Madam Speaker, after all I said a while ago, I ask again the stevedores, and in this I join the hon. member for Saint-Hyacinthe (Mr. Wagner) and those of my colleagues who spoke before me, I ask the stevedores to show some human decency, some sense of charity towards those people; I ask them, if they want their rights to be respected, to at least show respect for the rights of others, and allow the goods being rent to those islands to be put on board the ship which is waiting only for their permission, that the stevedores at the hangars where those goods are loaded for the islands, who are not on strike, might do their work and send the "Madelinots" the food, the clothing and all they need to go to work at this time of year, and so help these people who have been inactive and unemployed throughout the winter.

● (0140)

[*Translation*]

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Madam Speaker, I feel it is my duty to help my colleagues with this current problem, in the middle of the night, to speak about the shortage of feed grains in the province of Quebec. What harms this province, harms the whole country, and especially the farming industry and the people who depend on it for their livelihood.

[*English*]

Only last week we were informed of the government's plan to play a useful role in helping to feed a starving world—regions and countries whose people are in dire need of food. Yet tonight we look to a government which will not even see to it that our own food production is maintained. I have been speaking to a number of members from the province of Quebec and they have all told me—even those on the Liberal side—that it is time to do something.

This afternoon in the agriculture committee we were told by Mr. Coutu, president of the Canadian Pork Council—he is also president of the Fédération Producteurs de Porc de Québec—that the situation is very serious. But still the government does nothing. It has been pointed out by more than one speaker throughout this long night that there is not one member of the cabinet present during this debate.

An hon. Member: That is not so.

Mr. Alkenbrack: There is none in his seat at the present time.

Mr. Guay (St. Boniface): The Minister of Agriculture (Mr. Whelan) is here.

Mr. Alkenbrack: The absence of ministers shows that the government cares nothing for the interests of the farmers and feeders of Canada, and particularly of Quebec. This Liberal arrogance was also manifested in the agriculture committee yesterday afternoon. I was present at the meeting, along with my hon. friend for Pembina (Mr. Elzinga). The witnesses were members of the Canadian Pork Council, headed by their president Mr. Coutu, as I have mentioned.

The Acting Speaker (Mrs. Morin): Order, please. I must remind the hon. member that no report of what was said in the committee can be made in the House tonight.

Mr. Alkenbrack: All right; I have not made any report of what was said in the committee.

Mr. Guay (St. Boniface): On a point of order, Madam Speaker, I should like to call your attention to the fact that the Minister of Agriculture has been right here with us. He just happened to move from one area of the House to another to get back to his seat.

The Acting Speaker (Mrs. Morin): The hon. member knows very well that what he has referred to is not a point of order.

Mr. Alkenbrack: In the time allotted to me for questioning in the committee, I asked Mr. Coutu to inform the committee of the effects of the feed situation resulting from this vexing strike. As we know, it is preventing Quebec farmers and feeders obtaining badly needed feed grain from the elevators. The Liberal member for Kent-Essex (Mr. Daudlin) immediately asked the chairman of the committee, the hon. member for Saint-Jean (Mr. Smith), to rule me out of order and prevent the subject of my question being raised.

The Acting Speaker (Mrs. Morin): Order, please. In accordance with the ruling of the Chair a few moments ago, no mention must be made of what was said or done in the committee.

Some hon. Members: Order!

Mr. Alkenbrack: I hear shouts from members opposite, Madam Speaker. That is typical of the arrogance of Liberal members. I am not mentioning what the chairman said, but I will say that the chairman did not rule me out of order.

Mr. Guay (St. Boniface): Madam Speaker, on a point of order I want to bring it to your attention that you were quite right. If the hon. member was told he was out of order in the committee, he is out of order in this instance.

The Acting Speaker (Mrs. Morin): Order, please. I want to tell the hon. member for St. Boniface (Mr. Guay) that what is not allowed in the case of the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) is not allowed in the case of the hon. member for St. Boniface.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: I did not report anyone's words; I was just reporting the actions of the Liberal members in that committee. This request by the hon. member for Kent-Essex shows how much the Liberal Party cares about the interests of the farmers and feeders of Quebec. It shows how much the hon. member for Kent-Essex cares about Canadian agriculture, though he comes from an important agricultural riding in western Ontario. How his action in the committee furthers the interests of agriculture, I cannot understand. It is typical Liberalism at its lowest ebb of mediocrity.

Mr. Whelan: On a point of order, I think it would be of interest if the hon. member were to make it clear that he was the only Conservative member attending the committee at that time, and that there were never more than two of them at the committee.

Mr. Alkenbrack: I did not say how many members were at that committee meeting; I am only saying how much the Liberal Party cares about the feed grain crisis.

● (0150)

The Acting Speaker (Mrs. Morin): Order. The hon. member for Pembina (Mr. Elzinga) is rising on a point of order.

Mr. Elzinga: On the same point of order, Madam Speaker, since the Minister of Agriculture has referred to the committee, may I point out to him that at prior meetings we have always outnumbered the Liberals.

[The Acting Speaker (Mrs. Morin).]

The Acting Speaker (Mrs. Morin): If the hon. member wants to waste another hour on an alleged point of order, I am ready to listen to him. That is not a valid point of order.

Mr. Towers: A point of order, Madam Speaker.

Mr. Alkenbrack: Madam Speaker, let them heckle all they want, it only shows their arrogance and their lack of concern for this crisis.

Mr. Guay (St. Boniface): If your party was concerned, there would be many more of your members in the House.

Mr. Alkenbrack: I congratulate the mover and seconder of the motion, my colleagues for Bellechasse (Mr. Lambert) and Joliette (Mr. LaSalle), and I thank you, Madam Speaker, for granting time for the debate. Mr. Coutu before the committee this afternoon informed the House that the situation is desperate.

The Acting Speaker (Mrs. Morin): Order. I hesitate to interrupt the hon. member but no mention of what was said or done in a committee can be allowed at this time. Is the hon. member for Red Deer (Mr. Towers) rising on a point of order?

Mr. Towers: Yes, Madam Speaker. The point of order I should like to bring to the attention of the Minister of Agriculture (Mr. Whelan) through the Chair, is that apparently the government cannot manage the business of the House. The reason there were not more members in the agricultural committee this afternoon was because we were discussing agriculture in this chamber.

Mr. Whelan: On a point of order, Madam Speaker, yesterday afternoon when PFAA was under discussion in this House there were no more than four Conservative members in the chamber, so there were a lot of members who could have been in the agricultural committee.

[*Translation*]

The Acting Speaker (Mrs. Morin): I suggest to all hon. members, and especially to the hon. member for Lotbinière, that it is highly irregular to talk about assiduity in the House at this time and during this debate. The hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack).

Mr. Fortin: I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Morin): The hon. member for Lotbinière on a point of order.

Mr. Fortin: Thank you, Madam Speaker; I had not yet dealt with assiduity, but now that the Minister of Agriculture is here, instead of playing politics and accusing Progressive Conservative members of not being there, surely he should take advantage of this debate, thanks to the initiative of the hon. member for Bellechasse (Mr. Lambert), to advise us of the steps the government will take, instead of letting this debate continue forever and fruitlessly.

[*English*]

Mr. Alkenbrack: I am indeed gratified that my remarks are causing some reaction in the Liberal ranks. I am sure the Minister of Agriculture knows what I am about to say. I do not have to quote the origin of my information, but I got it not very far from where I got the other. There is an immediate danger that an estimated 40,000 hogs could be prematurely dumped and sacrificed on an already sluggish market as a result of this illegal deprivation of feed to the farmers resulting from the action of the longshoremen. Does anybody want to contest that statement? Yet the government still does nothing.

About a month ago we had a similar situation on the west coast, the stoppage of our world grain trade by the grain handlers in Vancouver. This stoppage went on for more than three months and the government would not act. The official opposition acted. We forced a debate on the question, and while it was going on a settlement was reached. But it took two weeks more of procrastination and protest to get the grain handlers back to work and the grain moving.

We now have a similar situation, this time in the east. So far the government has done nothing. It says it is studying the situation. I hope it is. It is waiting to read the temperature—Celsius—of the farmers of Quebec. If anything is done the opposition deserves top marks and credit for standing up tonight for justice for the Quebec farmer in this ill-defined just society, headed by a Liberal government which refuses so frequently to govern. Even with a clear majority it still refuses to govern.

Mr. Guay (St. Boniface): You are still living back in 1958.

Mr. Alkenbrack: Let me remind them that the clear majority granted to them was granted in good part by the farmers of Quebec, which is part of their power base.

Tonight the cabinet is watching the press and the level of publicity from this debate. Last night's Ottawa *Journal* had this to say. There was a report headed "Cabinet may order men back" and it went on to say:

> The cabinet is studying the possibility of forcing striking Quebec longshoremen back to work, Prime Minister Trudeau said Tuesday.

I hope it is, and that it has the guts to do it. What is there to study? All the cabinet need do is act and legislate the longshoremen back to work. If it cannot do this, then it could order an injunction giving needy farmers and their starving cattle, hogs and poultry access to the grain supplies in the Quebec elevators which are so fanatically and illegally picketed, thus withholding grain from the public. This reminds me of the ancient Bishop Hatto of Bingen who would give his hungry people no food.

I call upon the Prime Minister, the cabinet, and government benches, on behalf of the Quebec farmers and feeders, to put an end to this impasse by seeing to it that feed is provided to the livestock of Quebec farmers. In yesterday's Ottawa *Citizen* there was a picture with a news item showing Quebec trucks lined up at the Prescott elevator to load up with feed grains to be transported to Quebec to help in this serious situation. As a member representing the riding of Frontenac-Lennox and Addington in eastern Ontario, I hope our Prescott elevator supplies help alleviate the shortage and play a helpful role. But there are, of course, limits to supply, and Quebec's problem this week could become our problem in Ontario next week. Then if we run out of grain and the longshoremen, abetted by this do-nothing Liberalism here on Parliament Hill, continue to control the situation and feed remains unavailable in Trois-Rivières, Quebec and Montreal, most of eastern Canada will then be helpless and immobilized as far as this phase of our food production is concerned.

The government has a duty to perform, which is to stop this illegal sideshow run by the longshoremen's union at the elevators in Quebec. Their strike is no doubt a legal one, but their action in picketing grain suppliers is illegal. They are not classed as grain handlers, and their action is victimizing the farmers and feeders of the province of Quebec, starving their livestock and crippling and disrupting the production of food in this country. This must be stopped—immediately, forthwith, and now. I call upon our philosophic Prime Minister, his supine cabinet and his bewildered and misled followers, to govern themselves accordingly and move to alleviate this hardship and injustice that is being perpetrated upon the farmers and feeders of the province of Quebec.

● (0200)

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Madam Speaker, after six hours of debate that I watched with interest, you will understand no doubt that I will try to limit my intervention in a gesture of friendship for my colleagues on this side of the House in particular who described the situation in great detail and explained to all members of this House that their colleagues on the government side were unanimous in deploring the urgency of the situation and the importance of finding a solution in the near future.

During this debate, Madam Speaker, I was particularly struck by the extremely sensible comments about Quebecers by my colleagues of the official opposition. And if I recall, a few years ago when the party opposite was in power, I was not a member of this House but I was nevertheless following what was happening here in the House of Commons and for having consulted abundantly the pieces of legislation that were passed at that time I remember quite well that eastern Canada and eastern farmers did not obtain to the best of my recollection legislations suited to the needs of Quebec farmers. Without wanting to pass any final judgement, perhaps I might be permitted to consider and hear with a little skepticism that sudden interest and somewhat extreme manifestation from members opposite for Quebec farmers.

I remember a few minutes ago, or let us rather say a few hours ago, hearing a member of the Official Opposition who did us the courtesy of saying a few words in French, but I must add that those few words in French indicated to me rather clearly that if he had a certain, at least apparent, respect for one of the official languages which is that of the man talking to you, there was a rather obvious lack of understanding of what is a French-Speaking Canadian and the way he acts in politics.

I think our friends opposite too often identify the activities of Quebec members with bombastic speeches and

cutting interventions in the House of Commons or elsewhere.

I think those who somewhat know us realize that we have some sort of lobbying methods which may be more important and more efficient within the framework of a party, and which consist of regular meetings with the ministers concerned and official and often unofficial representations to them, which should not necessarily be identified with those long speeches intended, as my friends opposite have often said, "*to be on the record*".

That is not our line, and I would invite my friends on the other side to stop telling liberal members from Quebec that we do not speak up enough in the House. I respect them enough to respect their way of doing things and stepping in in due time, and I hope they will show their respect for our personality which leads us to act by using the means we think most efficient in the way we think most appropriate in the interest of our constituents and in the interest of the Quebec people as a whole.

Madam Speaker, it should no doubt be recognized that our debate tonight represents an extremely important step in the dispute we have been discussing for several hours.

I also think that the tribute we paid to the hon. member for Bellechasse (Mr. Lambert) seconded by the hon. member for Joliette (Mr. La Salle), was well deserved. I think the hon. member for Bellechasse in particular, and even my friend from Joliette with some reservations, on the whole made interesting points, but I think what we should keep in mind tonight at this late hour and as this debate drives to a close, is the fact that we should understand that all parties represented here in the House of Commons should unite to understand how important it is to make the government realize that it is urgent not to consider in detail the situation but to take a decision.

I think that, as a government member, it is my duty to endorse the action that will be taken by the minister concerned. On that point, I trust him entirely, and I urge him not only to consider the emergency of the situation but also to take action since, in my opinion, the situation has reached a degree which warrants government intervention. Even though I respect, as most members do, the workers' right to strike, even though I accept straight away that collective bargaining formula, I think public interest demands, at the present time, that the government take the matter into its own hands and take the action requested by the circumstances and which, to my opinion, justifies the drafting and tabling of special legislation. I think we must not dodge the issue. It is of course easy to try to protect altogether the worker, the union, the government and the opposition and to adopt a middle of the road solution. But I think that period is over with, and, as a government member, I think the representations submitted to the Minister of Agriculture are likely to indicate to him that the problem has reached such a point as to warrant government action, and I am convinced that hon. members opposite will be the first to support a legislation designed to enable Quebec farmers to get supplies, as they have the right to do, in order to distribute to Quebec consumers the food they need for their families.

An hon. Member: It is very important.

[Mr. Marceau.]

Mr. Marceau: Madam Speaker, I think that . . . Oh, I am sorry, things are changing so quickly, Mr. Speaker; I think, looking at all of us here tonight, at this time when both hands of the clock are meeting, that it would perhaps be the time for all parties to join together. It may be the time for each of us, irrespective of the political party we belong to, of our nationality, of our cultures or language, to understand that the situation the Quebec farmers are now requiring that we join together and, that in a movement of collective solidarity, we tell the Minister of Agriculture that we trust him, that we urge him to take immediate and concrete action to meet the needs of Quebec farmers and at the same time of the Canadian people who is looking at our government, who trusts them and will continue to trust them and to support them for the action they will take hopefully very soon.

• (0210)

[*English*]

Mr. Peter Elzinga (Pembina): Mr. Speaker, leave has been granted to the hon. member for Bellechasse (Mr. Lambert) to move the adjournment of this House, pursuant to Standing Order 26, for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the continuing longshoremen's strike in the ports of Quebec City, Trois-Rivières and Montreal which prevents millers from getting the feed grain supplies normally required for animal feed, and endangers the life of thousands of animals.

May I commend the hon. member for Bellechasse and the hon. member for Joliette (Mr. La Salle) for bringing in such a timely motion, and may I commend all hon. members who have, and are, participating in the debate at this late hour. I see the time is now 2.15 a.m., and after listening to the debate for some 6 hours and 15 minutes I feel somewhat like the man who married a widow who had eight children. Everything that had to be said has been said, and everything that had to be done has been done—by the opposition side only. We have urged this government to action, but now all we can do is hope that the Liberal administration will react in a positive way to the extent that these ills will be cured with regard to the crippling situation we have now in Quebec.

Mr. Béchard: You did not hear the last speaker.

Mr. Elzinga: The hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) attempted to gather opinions for some individuals from the Quebec region on this depressing problem. One individual he questioned appeared before the Standing Committee on Agriculture on behalf of the Pork Council of Canada. I should like to relate to the House the opposition which the hon. member met from the Liberal members of the Standing Committee on Agriculture. It was their feeling that they did not have to discuss this pressing problem. This is just another example of the Liberal arrogance we have been experiencing and it is typical of their approach to the serious problems facing us as a nation.

The reason we enjoy our liberty now is that in the past people were allowed to speak out. People had enough brains to reject what was false and to hold on to the truth. I submit that that should be the basis of our public policy

in Canada today. Yet we see attempts time and time again by this Liberal administration to muffle members of the House. There is also an indication that the government does not know, or is not completely aware of the facts regarding this strike. On April 8, as recorded in *Hansard* at page 4593, the Minister of Agriculture (Mr. Whelan) said:

> Mr. Speaker, according to information I have received today most people still have some stocks of grain and there is no real loss of feed stocks. That is, no livestock or poultry are going without feed. We are watching the situation very closely and moving as much as we possibly can by all means, as I have said.

Two days later, the Minister of Agriculture abruptly changed his mind. As recorded in *Hansard* of April 10 at page 4672, he said:

> Mr. Speaker, the condition is rapidly deteriorating and unless injunctions are obtained to disallow the picketing at the elevators in Quebec City and Trois-Rivières, there will be some loss of poultry and livestock. We know people are being asked to share the feed that is in the area and feed is being trucked in from Montreal and Prescott. We do not think, however, that this will be sufficient to look after the needs that will be there in the next day or two.

I would like to share, now, with the House points that were brought out in conversation with the millers' association. Contrary to the statements made by the Minister of Agriculture, the association feels that the situation is reaching dramatic proportions. They are preparing an injunction to force the port in Trois-Rivières to open if the situation does not change by the weekend. They are confusing "provisions" with "abcess". The minister said that there seems to be enough grain. The millers' association says that the grain might be there, but they do not have access to it. Producers were leading their stock to slaughter in Beauce last week, and this week it is mostly in Nicolet, St-Hyacinthe and Yamaska. Farmers are blaming this on lack of feed grain.

Producers usually replenish their supplies every three or four days. If the grain is available in Prescott, producers cannot truck it from there every three or four days. Producers are not even thinking of the cost of the strike to them in terms of increased grain costs; their main concern is to get enough feed for their stock. If producers have to truck the grain from Thunder Bay or Prescott, the increased cost of the grain would be prohibitive. In Quebec, trucks were able to pass on Saturday and Sunday, but in Montreal and Trois-Rivières they cannot. Some producers in southern Quebec have already sent some calves to slaughter because of feed shortage, calves that had not attained the normal weight for slaughter. In the province in general, producers will have to slaughter shortly because they cannot change the feeding habits of their stock.

It appears that the minister is unaware of the real truth, and I would like to pose a couple of questions to him in my closing comments because this government is not coming forward with the answers which the country is looking for. It is my sincere hope that the Canadian people will not again be disappointed. Since the hour is late and, as I said earlier, what needs to be said has been said, all we need now is action from the government. I ask the minister if he plans to introduce special legislation to deal with this serious situation. The Canadian people are looking to him for action.

● (0220)

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, without downgrating the importance of the special debate which started at 8 o'clock last evening, I must inform opposition members that we on the government side have not waited for this debate to make representations to the Minister of Agriculture or to the minister responsible for the Canadian Wheat Board. I for one made such representations a number of times, and other names were quoted here by the Minister of Consumer and Corporate Affairs or by my colleague from Bonaventure-Îles-de-la-Madeleine (Mr. Béchard). A couple of other names should be added, among others that of the member for Pontiac (Mr. Lefebvre). I join my colleagues to appeal to both parties affected by the strike in Montreal, Trois-Rivières and Quebec City. I urge them to take into serious consideration the human problem referred to by the hon. member for Bonaventure-Îles-de-la-Madeleine. It is not only a matter of moving feed grain. The sending of goods to the Magdalen Islands for instance is also involved.

I was amazed at the remarks by the hon. members for Saint-Hyacinthe, Rocky Mountain (Messrs. Wagner and Clark) concerning the contribution of the minister for Consumer and Corporate Affairs. They seem to be surprised that the minister participated in this debate. They implied that the minister was speaking on behalf of the Minister of Agriculture.

The hon. member for Papineau (Mr. Ouellet) could speak on his own behalf for various reasons. I shall mention at least two. First, as minister of Consumer affairs, he knows full well that if the strike goes on in Montreal, Trois-Rivières and Quebec City, this will mean production costs to cattle producers in Quebec will go up. And you know what happens in this case, higher costs are often passed on to the consumer.

So I am glad to do justice to the hon. member for Papineau.

We all know, on the government side, that the hon. member for Papineau has been very concerned for several years by the question of feed grains supplies for Quebec. As recently as yesterday afternoon, cabinet ministers were accused of not having been present yesterday evening or during the night at this emergency debate. I have been told by authorized sources, Mr. Speaker, that representatives of the FPA have met yesterday afternoon with three members of the cabinet of the right hon. Prime Minister (Mr. Trudeau), who are the Minister of Agriculture (Mr. Whelan), the President of the Treasury Board (Mr. Chrétien) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet); those representatives have informed those ministers of the problems which the cattle producers are presently facing in the current situation. The Minister of Consumer and Corporate Affairs and the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) have set forth a list of measures the government has been taking for some time to ensure a normal supply to Quebec cattlemen. But I have to catch the attention of the minister of Agriculture and also, hopefully, of the minister responsible for the Canadian Wheat Board. I believe there is an area in need of improvement, Mr. Speaker. It is that

of railway transportation to the East. I heard representations by those responsible for purchasing at the Coopérative Agricole Papineau. Since last January, railway transportation of grain to the East has been extremely limited, and I am asking the Minister of Agriculture to make the necessary representations to whom it may concern. Sometimes, Mr. Speaker, I get the impression that the authorities of the Canadian Wheat Board do not consider consumption important for the domestic market. I know that foreign markets are very important for Western wheat producers, but I believe that the priority must be given to domestic consumers. I join my colleague for Portneuf (Mr. Bussières) and the hon. member for Bellechasse (Mr. Lambert) in asking the minister to give more power to the Canadian Livestock Feed Board. Mr. Speaker, I have made this suggestion several times in the past and I know that it will not be welcome among Western members. But we Easterners want the Canadian Livestock Feed Board to have more power to ensure a regular supply for Eastern livestock producers.

Therefore, I would like to suggest to the Minister of Agriculture that he seriously consider the increased costs that the present situation will bring about for livestock producers, and I hope that if he needs any help from members on the government side to support his requests from the President of the Treasury Board or the Cabinet we shall be behind him so that he may offset in one way or another the additional cost that Quebec cattle producers will have to bear because of the present situation.

Let me make a further suggestion which was made to me by someone who deals in feed grain because mention is often made of millers, even in the motion of the hon. member for Bellechasse. Not only are millers experiencing difficulties in obtaining supplies of feed grain, but cooperatives as well. One of the suggestions made by a representative of a very important cooperative on the Quebec side of the Ottawa Valley is that the government should perhaps seriously consider building regional storage facilities which could be supplied by rail. Among others, I think of the Coopérative Agricole Papineau which has its headquarters and plant in Plaisance. Since it is located west of Montreal, it would be much more economic for it to get its supplies by rail—the Canadian Pacific serves our area—if we had such a warehouse in our area.

In conclusion, I join with all the members who have already participate in this debate to urge once again the parties involved in this labour dispute affecting the three ports I mentioned to carry on serious negotiations around a table and arrived at a settlement soon, so that our Quebec producers will be normally supplied with feed grain.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I must warmly congratulate my colleague, the hon. member for Bellechasse (Mr. Lambert) as the previous speakers have done it, for his excellent job in proposing to the House a motion under Standing Order 26 in order to discuss this urgent matter of feed grain supplies and in particular the strike now going on in the province of Quebec.

I think that every member of this House is prepared to congratulate the hon. member for Bellechasse. First because he himself is a farmer and as such, is deeply concerned by the problem of agriculture of which he has a

[Mr. Clermont.]

thorough knowledge. Since we have had the opportunity of taking advantage of his knowledge in this House, we have been able to appreciate his devotion and concern over this matter in the committee on agriculture.

However, I heard my hon. colleagues tonight and this afternoon try to take the credit that the hon. member for Bellechasse deserves for putting this motion forward. Things have been said on the Progressive Conservative side by the hon. member for Joliette (Mr. La Salle) and on the government side through the question asked by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard), who pretended to be the first one to raise the matter yesterday when he asked a question to the right hon. Prime Minister (Mr. Trudeau). I invite the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) to check in *Hansard* where he will see, on page 4651 of the Debates of House of Commons of April 9, that the hon. member for Bellechasse was the first one to raise this matter of the strike in the ports of Quebec City, Montreal and Trois-Rivières. On page 4651 of *Hansard*—and I shall not read again the motion he has put forward in its whole—he said and I quote:

> Mr. Speaker, pursuant to the provisions of Standing Order 26, I request that an emergency debate be held on the feed grain supply in eastern Canada, and more particularly in Quebec.

And he listed all the effects of this strike that had been going on for more than 7 days and has worsened from day-to-day.

Yet, the hon. member for Bonaventure-Îles-de-la-Madeleine tries to take the credit that the hon. member for Bellechasse entirely deserves. I remember quite well that in 1962 when we arrived in this House as a result of the general election of 1962, we raised for the first time the feed grain issue in Eastern Canada.

I remember quite well that the government of that time, day after day, week after week, promised to come up with a solution and now, in 1975, we are still at grips with the same problem. After 13 years, the situation is exactly the same. There is still no solution. We heard pious wishes from all sides and I do not know how many Ministers of Agriculture made promises though we are still facing the same problem today. This is an important issue which threatens our economy and Canadian consumers and tonight we heard some interesting comments from government members. For instance, I liked the comments made by the hon. member for Lapointe (Mr. Marceau) who did not simply state: I have confidence in the minister and he will solve the whole problem in due time. He asked instead for immediate measures and we fully agree with him.

● (0230)

I also support the comments of the hon. member for Portneuf (Mr. Bussières) who said that there should not be any problem for a government which can use an airplane overnight to move food products to the Western world or to Bangladesh. Why could it not move food products from Western Canada to the port of Montreal or to the farm cooperative of Granby or to any farm centre in Eastern Canada?

Mr. Speaker, there are members who have been kind to the Minister of Agriculture (Mr. Whelan), as if they were afraid to expose themselves.

There were members who said tonight: we have other means of pressure, we have other solutions within our reach to force the government to act. We of the opposition have been blamed for wanting to make speeches and have been told that such speeches would not move grain. If our speeches did not move grain, they have made it possible for some members from the province of Quebec to express their views on as important a problem as the one we are faced with today. They have enabled some Liberal members who did not have the opportunity before—I do not say they did not avail themselves of it, but they did not have it before—to speak openly in the House, and enabled us to see what they think of the problem.

Mr. Speaker, there is no need to say this is an important problem, since several members have stressed it. The strike that is now going on in the ports of Trois-Rivières, Montreal and Quebec is jeopardizing food supply in Quebec for several months to come.

Mr. Speaker, I do not want to take either the millers' or the employers' side, I do not want to take one side, but I would like to refer you to some court judgments. I admit as everybody does that the strike between employers and employees is legal. However, if I refer to a judgment in a trial of Dusessoy and Hersees, in a case of retail clerks union put before Mr. Justice Aylesworth, mentioned in Carrothers at page 462, and I quote:

An hon. Member: What page?

Mr. Rondeau: Page 462 and you can refer to it.

An hon. Member: And what date?

Mr. Rondeau: In 1963, you will see that this is a very interesting judgment which has a direct relation to the present conflict and I quote:

> . . . the secondary strike pickets (that is those who prevent the entrance of the employer's suppliers or customers) were declared illegal because they violate the right of trade. These cases present some remarkable aspects, not only because of the prohibition of secondary action, but also because the decisions were taken while considering the conflicting interests. The proposal was as follows:
>
> "The right . . . of the respondent to take part in picket lines in a secondary strike . . . must give way . . .

So the members of this House should be serious and refer to that judgment.

> . . . must give way to the right of the petitioner to trade; the first right . . . is exercised for the benefit of a particular category, while the second is a much more fundamental and important right . . . as it is exercised for the benefit and in the interest of the community as a whole. For the purpose of the act . . . the interests of the community as a whole must outweigh those of the individual or of a particular group of individuals".

Mr. Speaker, unlike those who talk nonsense on the other side, those judgments still have their full value, particularly in the current conflict. We recognize the right of longshoremen to strike, but on the other hand, we oppose picket lines which hinder trade or deny the right to supply millers. Those judgments should allow the Minister of Agriculture to take more urgent measures, more effective means to meet the situation.

Mr. Speaker, Quebec producers now have problems, consumers will have some too. Moreover, farm animals have also theirs, not because of animals but because of the stupidity of men who have been looking for solutions since 1962, but offer nothing except wishful thinking.

Mr. Speaker, if government members reproach us for speaking too much, we are really anxious to see concrete action not expedient, temporary measures, but positive measures which will solve the problem of feed grains in eastern Canada and will do so for good.

Mr. Speaker, the problem in this House is, in fact, similar to the difficulties in the Babel Tower. In a country as affluent as ours, in a country where grain is abundant, there is a transportation problem between the East and the West. I support the action of the member for Bellechasse (Mr. Lambert) in this House. If Liberal members have, as they alleged, efficient leverage and better means than speeches and words, well, now is the time to prove it.

It is easy to blame the opposition, but only the government party can act. Government members are the ones who can take measures. Tomorrow, when Canadian consumption will be jeopardized, when hundreds and thousands of farmers will be on the brink of bankruptcy because a situation has been allowed to deteriorate, it might be too late. I believe that in such situations supply is involved and we should be able to agree that supply is vitally important for a province. Our Quebec farmers will soon lose millions of dollars.

I would not want the Minister of Agriculture to put forward, by way of a solution, the same ones I have seen since 1962. Anytime there were losses, the Minister of Agriculture offered long term loans to compensate for the losses suffered. The Minister of Agriculture should not suggest as a solution to delay the interests on losses brought about by a situation which the government could have settled otherwise.

● (0240)

When we see such absurd solutions as the ones we have known up to now, some so-called proposals or solutions suggested by the ministers, we are aware that farmers and producers are always a little poorer, always more in debt and that financiers are always a little richer.

An hon. Member: Shame!

Mr. Rondeau: It is pitiful to note that in our economy on a whole for the past two years, the various groups of producers have been in a bad way. Only the banks and their branches as well as monopolies which belong to banks have prospered. The finance companies and banks have prospered. The financiers have thrived, but farmers as other social classes have been in a bad way. All we can offer them is debts, all we can offer them is deferred interests.

Mr. Speaker, since 1962, in every budget speech in, every throne speech, I heard about saving measures to help farmers, but those saving measures, before being tabled in this House, always amounted to the same thing: a bigger farm loan than before, more debts than before and then, we hear government members boasting of having saved agriculture.

Well, Mr. Speaker, when one sees the farmers' situation, when one sees that the number of farmers is decreasing every day in Canada, that debts on farm loans, farm

securities, securities on machinery, on livestock constantly increase, that banks are doing a roaring trade with farmers, and that today we still are in a situation where there is a huge difference between the prices paid to western producers for their production, for barley, oats and corn and other grains, and the price paid by eastern farmers for the same production, for the same grains, well, that scandal was exposed.

I have been hearing this same old story, this tune, those pious wishes, since 1962. No solution came out of them. No solution since how long? We suggested grain elevators in eastern Canada where grain could be taken at harvest time and be moved immediately so as to prevent any labour dispute.

The hon. member for Portneuf (Mr. Bussières) admitted a while ago in this House, and he was right—

An hon. Member: He spoke well.

Mr. Rondeau: Yes, he spoke well and I congratulate him. And when the government—

I am not here to reproach him, when I hear an hon. member say something sensible, I am the first to recognize it. The government can solve the national harbours problem tonight if they want to. The minister could have solved the problem seven, ten days ago.

An hon. Member: The hon. member for Lapointe (Mr. Marceau) spoke well.

Mr. Rondeau: The hon. member for Lapointe, and I said so a while ago. He was not satisfied with flattering the minister, he asked him to bring in a serious solution. When animals begin to destroy one another, it is absurd, it is a perfect Babel, and the opposition members are not responsible for this state of affairs. Those responsible, those who maintained or supported and tolerated this situation are those now sitting on the front benches, those who have the power to solve problems but do nothing, lead nowhere, administer nothing, but let the bureaucrats decide everything. I am anxious to see the Minister of Agriculture assume his role as he wanted, as he wished and as he advocated when he was a member on the government side and his predecessor was sitting in the Chair of the Minister of Agriculture, the former member for Medicine Hat. I recall very clearly that when the present Minister of Agriculture was sitting not far from us, across the aisle, he seemed to know all the answers then. He would grumble and criticize—although not too loudly—the then minister of agriculture, and I would rely on the present Minister of Agriculture. However, I am somewhat disappointed by the time he needs to make up his mind, although I am willing to admit something: he may be competent and knowledgeable, but I feel he is prevented from acting by his officials who make decisions much too often in all departments. These are the real administrators of this country, while ministers only pretend to administer their respective departments. Ministers are not responsible for decision-making.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. The hon. member for Richelieu.

Mr. Florian Côté (Richelieu): Mr. Speaker, at this late hour, I shall try to be very brief and perhaps overlook all that has been said since the start of the sitting which, to my mind has lasted much too long.

Contrary to some of my colleagues, I am not so pleased with the debate held tonight. For some, it was a happy occasion because they were able to express themselves. If I were the hon. member for Shefford (Mr. Rondeau), I would be happy because, as he said, he learned something from the Liberals tonight.

Mr. Rondeau: Mr. Speaker, I rise on a point of order.

Mr. Boulanger: No points of order are allowed after two o'clock.

An hon. Member: It is too late.

Mr. Deputy Speaker: Order. The hon. member for Shefford on a point of order.

Mr. Rondeau: Mr. Speaker, I should like to point out to the House that the only thing I learned tonight from the Liberal members, is that two of them I suspected of having Le Page glue on their seats, finally managed to prove that it was not so.

Mr. Côté: Just as he does not know anything in agriculture, he does not know what a point of order is, because he would not have risen to say what he has just said.

As I said earlier, I have not learned anything from what has been said tonight, except that I fear there was more harm than good done to the farming community, to the consumer and to the negociations where tension will increase because everyone looks up, because there might be "exploitation" at some time. I shall be very glad if it is not the case, but I am afraid that such will be the result of the dabate. I find it unfortunate that the opposition members . . . to try to be as brief as possible, I should like them to understand. First, I do not blame the hon. member for Joliette (Mr. La Salle), but I did not appreciate the way he accused the hon. members from Quebec. I do not like what the hon. member for Shefford has just done but I appreciate the spirit in which the mover put this motion forward, because I think he did it with good will. I want to prevent new accusations from one side and the other. When there is an election like the one which has just been held and when it is said that Quebec liberals do not know the problems of agriculture in Quebec, you, Social Credit and Progressive Conservatives, are told that the farmers decided to trust us. So, it is useless to hurl accusations to one another and to be hurt after such a long debate. Personally, I do not mind this very much, because I know who people trust and I think that the Minister of Agriculture knows it too. Because when leaders of APU, the Canadian Federation of Agriculture and Coopérative fédérée come to Ottawa, we see them long before they go to the Social Crediters or the Progressive Conservatives, or even to the hon. member for Joliette (Mr. La Salle) to whom I am very grateful. So let us forget all that and be practical. Very often we do not rise because we have very easy ways to promote our views. No mention was ever made of the discreet but very significant work done by the hon. member for Saint-Jean (Mr. Smith). He fights to

maintain the rights . . . and if the hon. member for Shefford (Mr. Rondeau) came more often to the agriculture committee sessions, where I never see him, he would realize why perhaps all parties in this House agree that he is one of the best. In that committee, work gets done without fights.

● (0250)

I would now say a few things while the minister is there. The opposition will think I speak for the first time. What I shall say every Liberal member has said, because we know when to ask for measures. But I shall make to the Minister of Agriculture a suggestion we all put up together. On that, I ask the member for Joliette to convince the members in his party, in order to avoid repetition of this present hardship to the Quebec farmers and also to the Quebec consumers. I recommended three years ago to the agriculture committee that the Canadian Feed Board be given more powers, as mentioned by the hon. member for Portneuf (Mr. Bussières) and the member for Gatineau (Mr. Clermont). The first ones to object were the Progressive Conservatives. Let us not forget it was the western ones. At one time I would have liked the member for Joliette (Mr. La Salle) to rise . . .

Mr. Boulanger: He resigned at that time.

Mr. Côté: No, that's true, he was in the opposition.

Mr. La Salle: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Joliette (Mr. La Salle), on a point of order.

Mr. La Salle: I shall be very brief, Mr. Speaker, and mostly very practical. The hon. member for Richelieu (Mr. Côté) is inviting me to rise on this question; I would like to remind him that they have been in power for about 30 years and that they should stop creating opposition about things that they have not themselves realized. You have the power, you should solve these problems!

Mr. Côté: Thank you for this reminder—

Mr. Deputy Speaker: Order, please.

Mr. Fortin: Mr. Speaker, I rise on a point of order.

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

Mr. Fortin: Mr. Speaker, the hon. member for Richelieu says that as a government member, he has many more effective means of action than the opposition and he also says that three years ago, he recommended more power for the Canadian Livestock Feed Board. I would like him to explain to me what use government members are if he was not able to convince his own solid government to implement this idea three years ago.

Mr. Côté: First of all, I shall reply to the question of the hon. member for Joliette who did not let me finish. I was not accusing him of not having risen. He could not rise to make representations on behalf of his party because he did not belong to it at the time—

Mr. Boulanger: He had resigned.

Mr. Côté: If he had let me finish, I would have told him that I was not accusing him. I was saying what I would have wanted at the time. Now I think that he may have the chance soon to convince his colleagues to support us so that we may be unanimous in the agriculture committee. In reply to the hon. member for Lotbinière (Mr. Fortin) I would say that if we were not so efficient, they would have increased their representation in the last elections. It is in the province of Quebec that farmers told us that we were capable, us Liberals, that we had the best solutions. The people said so, not us.

● (0300)

Mr. Speaker, I want to talk about the possibility of agriculture in eastern Canada relying on at least 10 million bushels of wheat from the Wheat Board which has them available for international trade and supplies for internal consumption in eastern Canada. But the Canadian Wheat Board sees to it that there are available supplies and means of transport for shipping it in eastern Canada and in the four corners of the country.

So, in support of what my hon. colleague from Gatineau (Mr. Clermont) and the other one from Portneuf (Mr. Bussières) are saying, this problem has been existing for three years now. Two years ago the grain handlers began to strike in the fall. Last year we were concerned with petroleum. This year we are not having quite the same problem, but we fear a shortage. Farmers have that feeling even if there is still grain in eastern Canada. Such fears, such apprehensions encourage speculation from dealers.

If there were any available . . . I do not know who would be paying the bill. I am not sure about that. Would it be the farmers' organizations, either the APU or the provincial government. What matters is that this grain would be in eastern Canada and would be shipped before the closing of the St. Lawrence Seaway. Thus it would cost us less to ship this grain by boat than by rail. So we would be sure that if there is speculation during a strike it would not be to the detriment of farmers.

In conclusion, Mr. Speaker, I would like to say for those who perhaps are not listening to us but who will be reading about it in the newspapers that at the present time there are injunctions—

An hon. Member: Injunctions.

Mr. Côté: —yes, injunctions and thank you. Injunctions have been claimed, but unfortunately, the injunctions claimed to date have been asked for by bodies which buy grain to resell it to farmers. The farmer has not asked for injunctions. I have asked representatives of the FPA this afternoon, and I hope that the farmers in the Trois-Rivières area, who own large quantities of grains, will ask themselves for injunctions, several of them. They might not be respected, but at least if the farmer as such, the one who is really involved, would ask for injunctions, there might be some pressure on the government, on the state, on the provincial government, for as far as the Department of Justice is concerned, at the provincial police level, laws are not complied with, and pressure will be put to bear on this jurisdiction. In Ottawa, the federal government will be urged to settle problems, not by incurring a reprimand

or seeking to revolt, for what is being done here tonight is of no help for agriculture.

I will therefore conclude, Mr. Speaker, by asking the hon. member for Joliette to convince the Progressive Conservative members to give their consent for the Canadian Wheat Board, which their predecessors established in 1929, to be more generous, since we are presently experiencing difficulties in getting a bit of Western grains, about ten million bushels, for Eastern Canada.

Mr. Speaker, I think it is rather late in the night, and I feel we should go and get some rest.

● (0310)

Mr. Prosper Boulanger (Mercier): Mr. Speaker, the hon. member for Saint-Hyacinthe (Mr. Wagner) has just said—

Mr. Lambert (Bellechasse): On a point of order, Mr. Speaker.

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

Mr. Lambert (Bellechasse): May I ask the Chair if I could put a question to the hon. member for Richelieu (Mr. Côté) who has just completed his speech, for I would like to ask him a question?

Mr. Deputy Speaker: I have to remind the hon. member that he should ask the hon. member for Richelieu and not the Chair.

Mr. Côté: It is agreed, Mr. Speaker.

Mr. Lambert (Bellechasse): Mr. Speaker, I have always been told that I was to address the Chair in order to tell an hon. member something. So, in these circumstances, I would ask the hon. member through you if he agrees that the Canadian Parliament has a very great responsibility with respect to problems which might arise within our society and that it is the duty of members of Parliament, be they on the opposition side or on the government side, to raise those questions and problems when they arise, or under the standing orders of our assembly, in order to focus the attention of the Cabinet on some particular question and that such a way of acting is not unreasonable. Does the hon. member agree with that way of looking at things?

Mr. Côté: I believe I do, Mr. Speaker, I am ready to accept that with some reservations. We should be careful. Considering the very broad jurisdiction of the Canadian Parliament and its administrative procedures, the acts which were passed and the powers some agencies were interested with, when it comes to believing that one is right in trying to urge government to pass bills faster than the acts which were designed by that very Parliament, then I have reservations. That is why I am saying that as members of Parliament we should try not to prove people that we have been strong, that we loved them; crying on the left shoulder knowing that favors may be obtained from the right one, that is what my reservations are about.

Mr. Boulanger: Mr. Speaker, the answer just given by my colleague, the hon. member for Richelieu (Mr. Côté) was a small part of my speech. I should not exceed 20 minutes since the mover and his party, the Social Credit of Canada are willing to hear me for about 20 minutes. I will try to interest them and make them understand certain things. I do not know as member for a small town on the island of Montreal, if they wonder why I rise to speak.

First, a few hours ago, I was talking with one of my best friends who is simply a longshoreman, an honest man who has earned his living for 30 years in Montreal harbour and who knows that there has been a debate taking place here since 8 o'clock. The first thing he did was to congratulate the mover, the member for Bellechasse (Mr. Lambert), for this emergency debate, and that proves that he is a serious and sincere man. But he told me, a few hours ago, that we should not forget that the speeches we will hear tonight could bring certain of our members to start a small rebellion that there is a more serious conflict than you would think. Then I asked him the reason? I am speaking as a Montrealer, not as a farmer because I do not know agriculture. I do not know if that will please some of my colleagues in my party because that is the opinion of a worker, a longshoreman but expressed so eloquently by my colleague from Richelieu (Mr. Côté). He is afraid that we are preparing an early measure forcing them to return to work. They have been fearing a little for a few hours already. Is it that fear—

● (0320)

I do not have any details to give because there is a part I can tell, and the other does not concern the House.

I will tell you the part that concerns us. When one talks of a friend, of a worker, if one does not have respect for the friendship of a worker who confides anything to you, that is a proof that one does not have any dignity at all.

So the part I want to tell you about a man I did not and I will not name is that he fears the government, and particularly when he refers to the Minister of Agriculture, that the government should proceed too rapidly to reach a decision within a few hours. I answered: There is no question of a few hours.

An hon. Member: No.

Mr. Boulanger: There is a question of allowing you to use all your rights, all your privileges because your strike is legal and to use all that to defend yourselves. But, on the other hand, we, in the government—I was talking about Parliament then—members both in power and in the Opposition also have a duty to fulfill, that of ensuring that the people of this country are well served. At present, there is no mistake about it, you are depriving farmers of part of their income and also run the risk of depriving the consumer. In a few weeks, if that ever lasts a few weeks, there will be a danger of depriving people of food and by the same token a danger of speculation called the black market of prices, etc.

So, we have a duty to fulfill, and a decision must be made. Our friend from Bellechasse, I agree, was serious. On the other hand, I told my hon. friend the expert from the area of Joliette (Mr. La Salle), that is perhaps less serious. When one thinks that he pretended at one time to be a defender of Quebec, of French Canada, and he left the party because he was badly treated in that party, but he has not yet succeeded to convince anybody of his western

group to help us bring back order, then justice in the Eastern Canada. You have done nothing of the kind.

Mr. Speaker, it is the first time that I attack him in this House—

Mr. La Salle: On a point of order, Mr. Speaker.

Mr. Boulanger: It is the first time that I attack him in this House, but it is not the last one.

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

Mr. La Salle: I rise on a point of order, Mr. Speaker, because of the words used by the hon. member for Langelier—

Some hon. Members: Mercier!

Mr. La Salle: I mean Mercier (Mr. Boulanger).

As the Progressive Conservative Party was not aware of the interests of Quebec, he may have been late during this debate, and as I think he met a longshoreman who took part of his time, I would like to tell him that we never got such co-operation and support as regards the problem of Quebec from members of that party from every province, as many government members have shown, even members of the Social Credit party.

Then, I think that the hon. member for Mercier is late with these news.

Mr. Boulanger: I will invite him to join another party.

I do not know, Mr. Speaker, if it is a valid point of order, but he understood quite well that I was in no way referring to what the Progressive Conservative party has just said tonight; I was referring to its past, he knows quite well what I mean, he understood me pretty well. However, I want to show him tonight that it is not easy for you in the official Opposition, with three good guys from Quebec, to be understood by millionaires of Western Canada. Now, you know everything.

We, Easterners, from Quebec, the Maritimes or elsewhere, who are unable to make ourselves understood by your party and you do not even realize it. You are trying to blame the government, that is the Liberal party that is leading the country. You should at least understand that we have absolute majority, a mandate from the population and that means: We trust you. Lead the country. There is an expression that says: A government must govern. But we have enough diplomacy to choose a typical Minister of Agriculture, an expert in his field. He is not a comedian, he has no desire to make jokes.

The Minister of Agriculture has a responsibility and he intends to assume it and discharge his duty. But you know there are some petty politicians in the opposition, in the Social Credit Party who believe that they can solve all the troubles in the world with a stroke of the pen. That is called clownery. And it is to be heard here only. It is time for one among us to let you know it. It is easy to drift in demagogy. There is nothing easier than to criticize. But did you accomplish miracles when you were in power in Vancouver, British Columbia? You saw what happened there. Anyhow we will not speak about it, because I do not wish to deviate from the subject. Moreover, I did not say to the hon. member for Joliette (Mr. La Salle) that I had met the longshoreman, but that I had spoken to him on the phone.

Coming back to what he told me, it is true that I heard my colleagues say to the Minister: You will immediately take some action, you will see to it right now. Granted, I speak as a Montreal member who meets the labourers and the blue collars all day long and all week-ends long, to express myself correctly. I agree that important measures have to be taken, but mind you: we should not ask our longshoremen what we did not dare ask those out West; we should not be too strict either. Let us not forget that out West, before they decided to take emergency measures, they sought our advice; they even criticised us and almost compelled us to let things go for nearly seven weeks. I am not asking you to waste seven weeks, because the matter is really an emergency, but I ask the Minister of Agriculture, and even my colleagues are asking you to decide, knowing your sound judgment, your sense of responsibility, I ask you when the time comes to prepare a draft, either for the return to work or to request a stoppage, once again I ask you to consult with the Minister of Labour and see whether it would be possible to settle the problem within 24 hours. Because we can cause a lot of damage to these blue-collar workers, the Montreal longshoremen. I sympathize with the farmers and I understand them very well, although I merely eat the food that they are producing for us; it will certainly require greater efforts to produce it, and I am sure that the farmer is earnestly and honorably earning his income. There must be justice, so that they can be paid like everybody. I agree that they have low incomes. Yet, we must stop complaining that all farmers are starving, living in distress, and without a cent in their pockets. This is exaggeration again. Personally, I was born in a small village called St. Eugene de l'Islet; my parents had a farm, and although I cannot say that I grew in the field, it was certainly not far from it: this was meant as a pun. When I inherited my father's farm, I was so scared that I gave it away to my eldest brother and said: do whatever you want with it. I was scared. Well, if I was scared at that tender age, you realize how unhappy my brother was with it during the 30 years he kept it. It is true that it is not that profitable. However, we still have a decision to make, which means nearly what you had in mind to do shortly—I will not tell you what it was—and I know that you are going to do it, I know that you have understood your Liberal colleagues. I hope that a decision will be made shortly and that it will benefit both parties, that justice will come for everybody and that the Opposition will have lamented in vain.

Mr. Lambert (Bellechasse): I raise the question of privilege, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Bellechasse on a question of privilege.

Mr. Lambert (Bellechasse): Mr. Speaker, I do this in all honesty and I know the hon. member for Mercier (Mr. Boulanger) will understand why.

I am willing to understand that in the heat of the debate he used expressions which he knows, having been the Acting Speaker in the House of Commons, are unparlia-

mentary. For me, I do not accept to see the speeches of the Social Credit members termed as clownery.

I think we have—

Mr. Boulanger: There is nothing unparliamentary about that!

Mr. Lambert (Bellechasse): Mr. Speaker, may I go on with my question of privilege. I would not want the Canadian people to have the impression that the members of this House, in the exercise of their duties, act like clowns. They act as members responsible to the Canadian Parliament, to the people, and I would request the Chair to ask the hon. member for Mercier to please withdraw this unparliamentary expression of "clownery" attached to members as respectable as any other member in this House. I therefore request a decision from the Chair.

Mr. Deputy Speaker: Order, please. The hon. member for Bellechasse (Mr. Lambert) is asking the Chair. Order, please. If hon. members will kindly let the Chair decide and not take the decision themselves, the hon. member for Bellechasse is raising a question of privilege regarding certain comments made by the hon. member for Mercier.

Nevertheless, I am not too anxious to accept the invitation extended by the hon. member for Bellechasse. This in fact is an invitation extended to the Chair asking to pass judgment on the comments of the hon. member for Mercier. The words used by the hon. member without necessarily being those one hears in the great British parliamentarism, or its way of saying things, do not have anything anti-parliamentary. I do not think his words have attacked the reputation of any member, I do not think his remarks, at least those I have heard, have reflected on the frankness of hon. members. It is a matter of appreciation. If the hon. member for Bellechasse wants to give the Chair an opportunity to review the proceedings of tonight's debate tomorrow, and if he himself deems it appropriate to raise that question again on tomorrow, he can do it when orders of the day are called.

Mr. Lambert (Bellechasse): Mr. Speaker, I accept your decision, but do you allow me to think that what he might have attributed to us can be thought of them?

Mr. Boulanger: Mr. Speaker, I raise the question of privilege.

Mr. Deputy Speaker: The hon. member for Mercier on a question of privilege.

Mr. Boulanger: Mr. Speaker, all I have to say on this question of privilege is as I have been in this House since 1962, I have heard the Leader of the Social Credit Party (Mr. Caouette) and all the members of the same party using at any time the word "bouffon" or "boufonnerie" and even others terms. I wonder why my good friend the hon. member for Bellechasse tries to put a question of privilege about this by pretending that it is not an anti-parliamentary expression, since I heard his leader using it many times.

Mr. Deputy Speaker: Order. In view of this late hour I shall invite the hon. members to go back to the main issue of the debate. As it is very late, it may be easy to have exchanges under a question of privilege or a point of order but as there are a few more members who wish to take the floor to express their views concerning the problem of grain, this matter which has been so well presented by the hon. member for Bellechasse, I hope that these members as the hon. member for Drummond (Mr. Pinard) will have the opportunity to take the floor and to express their views before breakfast tomorrow morning. The hon. member for Drummond.

Mr. Yvon Pinard (Drummond): Mr. Speaker, at 3:25 a.m. I shall be very very brief. I wish first to congratulate the hon. member for Bellechasse (Mr. Lambert) for having moved this motion. I do not doubt his sincerity, on the contrary, but what surprised me in this debate is that we have accomplished the miracle to say in seven hours and 25 minutes what the Prime Minister said in less than a minute in an answer to a question put during the oral question period yesterday afternoon.

I am referring to the public interest which the Prime Minister (Mr. Trudeau) emphasized when he spoke of the interest of the farmers and consumers, as opposed to the right to strike. While being very conscious of the public interest demonstrated very ably during the many interventions in this debate, I hope that, as a result, the strikers, first of all, will get the message and stop interfering with the movement of feed grains; otherwise, I am convinced the government, as it usually does, will assume its responsibilities if the situation continues to deteriorate.

In closing, I stress the fact that unfortunately some tried through this debate to enhance their personal prestige instead of considering the public interest, simply and solely, as they should have.

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I did not intend to take part in this debate tonight and I would have preferred to let all the Quebec members speak, since this is a problem that concerns mainly the Quebec people. However, since the Opposition has so mischievously attacked my Liberal colleagues from Quebec, I deemed it my duty, as an Ontario member, to take part in the debate so as to tell the Canadian people what the Quebec Liberal members are doing for agriculture.

First of all, I should like to congratulate the hon. member for Bellechasse (Mr. Lambert) for giving us this opportunity to discuss publicly what my colleagues from Quebec as well as all of us discuss in caucus, namely the farmer's problems, to settle this dispute, to correct this unfortunate situation existing in Quebec since the beginning of the longshoremen's strike.

The hon. members from Quebec, my Liberal colleagues have again and again, since the beginning of this conflict made representations to the Minister of Agriculture (Mr. Whelan) to give the assurance to the Quebec producers that they would not be deprived of the supplies needed for their poultry and their cattle. I believe those representations were fruitful, considering this strike situation that we all regret. I repeat that their representations were fruitful for the Minister of Consumer and Corporate Affairs (M. Ouellet) ably explained at the beginning of

this debate what this government had done up to now to provide for the supplies needed by our Quebec producers.

As I said earlier, in spite of the longshoremen's strike we all deplore, contrarily to the members of the opposition, we do not reprove this strike but we regret it.

I deemed it my duty to participate in this debate because my constituency is adjacent to the "belle province", and not to refute the arguments from opposition members, not to bring upon myself political publicity like the hon. members for Joliette and Bellechasse (Mr. La Salle and Mr. Lambert) but to back up my Liberal colleagues from Quebec for their constant dedication for their farmers.

Since I represent myself a country riding, I understand very well the anguish and the unrest which the Quebec producers are experiencing presently. During all this debate, nothing has been suggested by the opposition as a solution to this sad situation, except maybe by the hon. member for Bellechasse. All the others have kept criticizing.

Mr. Speaker, a number of my colleagues on the government side made a positive contribution to this debate. First the hon. member for Shefford, I believe.

An hon. Member: No, not Shefford.

Mr. Ethier: I can have a word or two about the hon. member for Shefford (Mr. Rondeau). He said in his speach that the situation could have been settled a week ago, ten days ago. It could have been solved in one day. Of course, when they think of mingling in a labour dispute. We, on the liberal side, respect the bargaining process. We still believe in negotiated agreements. I simply wish to state briefly to join those among us, from either side, who urge that we speak together and that our voice be heard by longshoremen, so that they make an exception in view of the present hardship to Quebec farmers and that they open picket lines, so that farmers get their supplies.

In view of the late hour, I shall conclude by urging members and Quebec producers themselves to trust the minister of Agriculture (Mr. Whelan). I urge you to compare the improvement in agriculture since the hon. Eugene Whelan took over this portfolio two years ago. I am certain that if we give him our confidence, the situation will improve, hopefully without interfering in a labour dispute.

Feed Grain

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I am sorry to take the time of the House now, but I shall take only one minute. I am pleased, Mr. Speaker, to inform the House that today, April 17, 1975, at 3.30 a.m., is the birthday of the hon. member for Quebec East (Mr. Duquet). I shall not mention his age today, but on behalf of all members of this House, I wish him a Happy Birthday.

● (0330)

[*English*]

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, before this debate comes to an end may I, on behalf of all my colleagues in this chamber, thank the officers of the House, the interpreters, the *Hansard* reporters, the heads of the page staff, and the protective staff who have worked so diligently and remained with us through this long and important debate.

May I call it 3.30 a.m. Mr. Speaker? Thank you and good morning.

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, as it is very late, I would like to join my colleagues of the opposition in thanking sincerely all the people who contributed to the efforts made to explain to the Canadian people the present problems in Quebec and particularly in our three main ports. I thank those who are present and even those who are not. I am sure that tomorrow they will notice that some of their colleagues spent the night not at doing nothing, but at discussing a serious problem, which concerns the Westerners who spoke tonight as much as the Easterners who did the same. Finally, Mr. Speaker, we can say that tonight there were no Westerners and no Easterners but Canadians, members of Parliament who are Canadians, who are truly Canadian and wanted to discuss the problems, be they from Quebec, from Ontario, from the East or from the West. Mr. Speaker, I believe that the interests of the people that we represent must always come first in this House and I believe that we must put aside all party politics and try to solve their problems.

In concluding, Mr. Speaker, I believe that those who contributed to the printing of the *Hansard* and who helped us to express ourselves truly deserve sincere congratulations.

[*English*]

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, may I apologize for my raspy voice which I have had since last night. I do suggest that it is regrettable that the Minister of Agriculture (Mr. Whelan) has not been able to rise in the House and present to us some kind of solution to the problem that was brought before the House tonight. I regret that very much.

[*Translation*]

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, after listening carefully from last night on to this late hour to all those who took part in this debate, I should like to let you know that I am of those who believe in all sincerity that in our modern times it is not necessary for us members of Parliament to spend a whole night to try and impress upon Canadians that members of Parliament in Ottawa do their job. Even if we have emergency debates, I sincerely believe it is not necessarily to have them dragging on until half past three or four o'clock in the morning so that we can boldly say on the next day: We did not adjourn until whatever hour in the morning. You will realize too, Mr. Speaker, that we still have work to do tomorrow, particularly those who will sit on committees and that this makes it a fairly difficult task for us.

[*English*]

There is no doubt in my mind that the fact that we are sitting here all night will not impress any constituents or in fact any Canadians, and if there are any hon. members who say so I must tell them that I do not agree with them because I believe, as was mentioned by an hon. member on this side a while ago, that the Prime Minister (Mr. Trudeau) very ably answered the question that was put to him in the House by saying that the matter was being looked after, and also that the Department of Agriculture was doing its best. We know what the problems are.

I do not think hon. members should sit here all night and play the ball game in which each of them rises and voices an opinion in repetition of what was said all night. We are not accomplishing anything. While we are talking about the rules and regulations of the House, I suggest that a provision should be brought in to stop—here I will use a word which might not be to the liking of every one—this nonsensical discussion which is taking place until the wee hours of the morning.

Mr. McKinley: I rise on a point of order. In some ways I have to agree with the hon. member who has just spoken. I think it is kind of hon. members to have stayed around until this late hour, but we have to recognize the fact that there are problems facing this country. There are also problems within the cabinet, such as the problem of abortion. There is a fight going on between two ministers.

Mr. Deputy Speaker: Order, please, I invite the hon. member to express his point of order. Right now he is prolonging the debate on the arguments put forward by the hon. member for St. Boniface (Mr. Guay). I do not wish to prevent the hon. member from raising a point of order, but according to our rules he is not entitled to speak a second time. If he wishes to make his point of order, he should do so directly.

Mr. McKinley: I agree with you, Mr. Speaker. We must recognize that there are problems facing this country and sometimes it is up to the opposition to make the government take action I think all members of the opposition were trying to do that today. If the hon. member for St. Boniface (Mr. Guay) does not like it, then all I can say to him is that if it is too hot, he should get out of the kitchen.

Mr. Guay (St. Boniface): I rise on the same point of order.

Mr. Deputy Speaker: Order, please. This is hardly a point of order.

Mr. Elzinga: I rise on a question of privilege, Mr. Speaker, I agree sincerely with the point made by the hon. member for Huron-Middlesex (Mr. McKinley). I must say that I am very disappointed with the point made by the hon. member for St. Boniface. He should not be so quick to judge others by his own character traits.

Mr. Guay (St. Boniface): On the same question of privilege—

Mr. Deputy Speaker: Order, please.

Mr. Guay (St. Boniface): Surely they can put their message across before twelve o'clock.

Mr. Deputy Speaker: Order, please. I must say that none of the remarks that have been made were points of order. Perhaps I should add that the best judges of our actions are the people of Canada. I think we should leave it to them.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I could get the unanimous agreement of members who are here that it is time for us to go home.

[*Translation*]

Mr. Armand Caouette (Villeneuve): Mr. Speaker, since it is 3.40 a.m., I shall only take a few minutes to congratulate both movers of the motion and ask the minister whether he thinks Quebec is still part of the Confederation. I want to ask him to take the necessary measures to solve the problem.

Mr. J.-Roland Comtois (Terrebonne): Mr. Speaker, I listened rather attentively to most of the speeches made tonight. To conclude, I think there is an urgency to revise the rules of this House. I am perhaps repeating what some said, I think the point was made, the problems were pointed out, and in the future those who sit on that committee should perhaps agree in an emergency debate on limiting the participation of the different parties represented in this House to a few members only. In this way, the same purpose would be met in a much shorter period of time. I know there are other members on the government side who have not spoken; just like me, they listened and could easily intervene at this point, but I think that out of decency this debate should be brought to an end at this point. I want to point out once again before I sit down that I think the rules are being abused when debates are prolonged in this fashion and that those same rules should be amended as soon as possible.

Mr. Deputy Speaker: Pursuant to the provisions of Standing Order 26 (13) I am convinced, and definitively, that this debate is over.

I therefore declare the motion carried.

Pursuant to Standing Order 2(1) the House stands adjourned until two o'clock p.m.

At 3.34 a.m. the House adjourned, without question being put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 17, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIR CANADA

PROPOSED INVESTIGATION OF RELATIONSHIP WITH McGREGOR TRAVEL AGENCY—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43, involving what appears to be a rather unusual procedure by the management of Air Canada. I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Transport cause an investigation pursuant to the Inquiries Act into the legitimacy and propriety of arrangements between Air Canada through Mr. Menard its former vice-president for marketing and Mr. R. Y. McGregor of McGregor travel agency of Montreal wherein Mr. McGregor in return for, among other things, "influencing governments and trade in the Middle East and Latin America," was paid $100,000 in advance on November 29, 1974 by three separate authorizations for expenditures dated the previous day and that the minister request the proper officials of IATA investigate the relationships generally between Air Canada and travel agencies.

Mr. Speaker: Order, please. The motion being proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AUDITOR GENERAL

SUGGESTED DEBATE ON AMENDMENT OF STATUTE—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to discuss a matter of great importance and urgency.

Because of the very important role of the Auditor General of Canada, entrusted as he is with the heavy task of scrutinizing government expenditures which must be performed with the widest possible latitude to ensure the efficiency of his work and inspire public confidence, and also because of the serious recommendations recently made by Mr. J. R. Wilson's committee in this regard, which bring to the fore the debates of 1970 and 1971 to which the government did not respond seriously, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House now discuss the status of the Auditor General, the need to broaden his mandate and powers, the need to amend the act in order to authorize auditors to scrutinize the expenditures of government corporations as well as those of the departments, and also the need for facilities to be made available to him both from the technical and personnel points of view.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

EXTERNAL AFFAIRS

PROPOSED CONDEMNATION OF COMMUNIST AGGRESSION IN VIET NAM AND CAMBODIA—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise to seek permission to move a motion of urgent and pressing necessity. In view of the fact that Cambodia has fallen into Communist hands and South Vietnam's very existence is being threatened by Communist aggression and because of the fact that this government has in the past officially condemned acts of aggression in other parts of the world, and therefore, with no statements on recent tragic Communist offensive aggressions in Southeast Asia it could be assumed that this government is in fact approving this inhumane takeover of democratic governments, I move, seconded by the hon. member for Calgary North (Mr. Woolliams):

That the Secretary of State for External Affairs be instructed to condemn the tragic and inhumane attacks on both the Cambodian and South Vietnamese governments as well as the helpless populace in order to demonstrate this country's opposition not only to war crimes but to the cancerous spread of Communism into vulnerable democratic and previously peaceful states.

Mr. Speaker: Order, please. This motion proposed under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Oral questions.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

CAMBODIA—GOVERNMENT ACTION TO ASSIST POLITICAL REFUGEES—RECOGNITION OF NEW REGIME

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to address my question to the right hon. Prime Minister. In view of the apparent fall of Phnom Penh to Khmer Rouge insurgents and the Khmer Rouge indication that those associated with the previous government or sympathetic to it would be liable to execution, is our government, either through the United Nations or on its own, prepared to take any initiatives to assist political refugees, either with safe passage out of Phonm Penh, or more directly, in terms of accepting any such refugees who may seek admission to this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know if any initiatives have been taken but I shall inquire.

Mr. Wagner: Mr. Speaker, a supplementary question also for the right hon. Prime Minister. In view of the decision by our Commonwealth sister, Australia, to recognize the new regime in Phonm Penh, can the Prime Minister indicate at what stage our own government's evaluation of the recognition question is at present?

Mr. Trudeau: Mr. Speaker, when the general principles of a measure of stability and durability have been established we would extend recognition but this is a matter of judgment. It is a matter of getting information from other friendly countries, particularly in Asia. In view of the fact that Canada does not have any immediate national interests of great importance involved I think the question does not have to be answered urgently.

* * *

IMMIGRATION

REQUEST FOR ASSURANCE CAMBODIANS NOT FORCED TO LEAVE CANADA

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my final supplementary is addressed to the Minister of Manpower and Immigration. Can the minister assure the House that any Cambodian students or nationals living in Canada who might, for political purposes, find it difficult and unsafe to return home, will, in fact be allowed to apply for more permanent immigration or resident status and not be forced to return home?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have already indicated that Cambodian or Vietnamese people who are in Canada temporarily would not be asked to leave while the present emergency and confusion exists. When that situation is clarified, the degree of which I obviously cannot indicate now, we will review the situation. In addition, as I have already indicated publicly as well, people who are outside Viet Nam or Cambodia but from those countries who apply to stay in Canada on the grounds of being refugees, would be judged in terms of our normal refugee program and policies.

* * *

● (1410)

EXTERNAL AFFAIRS

VIET NAM AND CAMBODIA—ROLE OF UNITED NATIONS COMMISSIONER IN DEALING WITH REFUGEES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my supplementary question is directed to the Acting Secretary of State for External Affairs. In view of his earlier replies about the use of multilateral aid channels for getting food and medical assistance to this area in question, can he say if there are indications that the United Nations High Commissioner for Refugees and his staff have been or will be allowed to play a full role to alleviate the distress of refugees in this area.

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, I cannot speak specifically about the High Commissioner for Refugees, but I can say that the food aid and other aid Canada is providing to international agencies is being made available in all parts of South Viet Nam and Cambodia regardless of the group which is in control.

VIET NAM—REQUEST FOR ASSURANCE CANADIAN AID BEING DISTRIBUTED IN ALL AREAS

Mr. Donald W. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. The Acting Secretary of State for External Affairs did not say by what means aid is being distributed. I should like to know if by any chance there are reports from our man in Hanoi, for example, saying that the refugee situation in the area overrun by the PRG is also being dealt with in the same way under this assistance program.

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Yes, Mr. Speaker. The High Commissioner for Refugees is one of three international organizations through which we give relief and the information we have is that this kind of relief is being given in areas controlled by the PRG and in Cambodia.

CAMBODIA—SUGGESTED EARLY RECOGNITION OF NEW REGIME TO MAKE AID PROGRAM MORE EFFECTIVE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question relating to the same general area to the Prime Minister. As it is the desire of Canadians to give as much help as possible to countries like Cambodia through aid and rehabilitation, and as this can be done more effectively if we have contact with the de facto government there, will the government speed up its process of assessing when recognition should be accorded.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I answered the hon. member for Saint-Hyacinthe, the government is trying to assess the situation and is

consulting with friendly governments in the area to determine how speedily the process should take place.

VIET NAM AND CAMBODIA—SUGGESTED CO-OPERATION WITH UNITED NATIONS COMMISSIONER FOR REFUGEES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct my question to the Acting Secretary of State for External Affairs. Considering the grim prospect of the refugee problem in Indo-China reaching horrendous proportions, can he advise if Canada as a UN member has taken or will consider taking any initiative with Prince Sadruddin, so that that man and his organization might take immediate steps to deal with what obviously will be a very serious problem along the lines of his excellent initiatives in Bangladesh which are fully in accord with the 1967 protocol.

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman knows, our relations with the High Commissioner are very good. He has looked upon Canada as one of the most co-operative countries in the world and I am sure we will continue to deserve that reputation.

* * *

[*Translation*]

LABOUR CONDITIONS

LONGSHOREMEN'S STRIKE IN QUEBEC—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of Labour.

Can he advise the House whether the bargaining in connection with the striking longshoremen in the Quebec City, Montreal and Trois-Rivières ports is progressing and, if so, can he assure the House that a final settlement is forthcoming?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, there have not been formal discussions. Informal bilateral discussions have taken place between some of my officials and the parties concerned, but I cannot predict at this stage whether there is any hope of settlement in this particular dispute.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question for the Minister of Agriculture.

In view of the reply the Minister of Labour has just made, can the minister advise the House whether the picket line will soon be withdrawn, so that millers may get their supplies from the Montreal and Trois-Rivières terminals?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I understand there have been applications for injunctions but I do not know at this time if any applicants have been successful with further injunctions.

ALLEGED DIRECTION TO CANADIAN LONGSHOREMEN BY UNITED STATES UNION NOT TO UNLOAD SHIPS DIVERTED FROM STRIKEBOUND QUEBEC PORTS—GOVERNMENT ACTION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question to the Minister of Labour concerns the strike to which the hon. member for Bellechasse alluded. What action is the minister taking in connection with directions given by United States union officials to Canadian longshoremen who are not on strike to refuse to unload ships diverted from any of the three strikebound Canadian ports?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, there is not much in the way of any formal action the government can take. I realize it has been suggested there has been this type of interference by the head office of the international union in the United States. Generally speaking, I think this is the type of action that Canadian unions repudiate. Also, I think all members of this House repudiate it. This type of interference should be resisted and I trust that the longshoremen in Canada will resist it.

Mr. Fraser: In the debate last night, the Postmaster General, in the absence of the Minister of Labour, spoke extensively on this problem in view of the fact there was an arbitration related to it with regard to a specific order that Canadian longshoremen not on strike refuse to abide by any directions from American officials to refuse to unload. Has the minister had any discussions or does he feel the most he can do at the present time is to depend on the good faith of the Canadian union? Is the minister powerless in this regard?

Mr. Munro (Hamilton East): Mr. Speaker, I am not powerless in the sense that if there are unionists, longshoremen in this particular case, who set up illegal pickets, whether it be of their own volition or at the instance of some foreigner, as is the suggestion in this case, they can suffer the penalties if we are successful in a legal action. The hon. member may know that an application for an injunction was taken out, particularly in the Saint John situation. My latest advice is in that particular case, the court turned down the application for an injunction.

LONGSHOREMEN AT SAINT JOHN—ALLEGED REFUSAL TO UNLOAD SHIPS DIVERTED FROM STRIKEBOUND QUEBEC PORTS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, as some days have gone by since the directions were given that I have spoken of, are Canadian longshoremen not on strike at Saint John still refusing to unload cargo from any ships diverted from Three Rivers, Quebec City or Montreal?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, my latest information is not of a specific nature that I can reply with any degree of accuracy to the hon. member. I hope to be in a position to do so later today.

Oral Questions

LONGSHOREMEN AT SAINT JOHN—POSSIBILITY OF INTERFERENCE BY UNITED STATES UNION OFFICIALS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a supplementary question for the Minister of Labour. Is the minister inferring that the interference by Mr. Gleason and Mr. Sullivan of the United States International Longshoremen's Union is the cause for the union men in the port of Saint John not working? Is this what the minister is inferring or have I misunderstood?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I have to answer this in a hypothetical vein. If it can be established that the Canadian membership took this action at the sole instance of direction from Mr. Sullivan or Mr. Gleason, then, of course, this is the type of action that should be repudiated. There is also the suggestion that the membership could act on its own and perhaps some did indeed act on their own.

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AIR CANADA

REQUEST FOR INQUIRY INTO RELATIONSHIPS OF McGREGOR TRAVEL AGENCY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a question to the Minister of Transport. I regret I did not have the document or I could have taken this up with the minister in committee. Will the minister cause an investigation under the Inquiries Act into the circumstances whereby the president of McGregor Travel of Montreal received $100,000 in advance late last year ostensibly for three consultant tasks involving relationships with provincial governments and, according to two of the letters of agreement, influence governments and trade in the Middle East and Latin America for the benefit of Air Canada?

● (1420)

Hon. Jean Marchand (Minister of Transport): Who received the $100,000? I did not get the name.

Mr. MacKay: The name is Bob McGregor—R. Y. McGregor of McGregor Travel, Montreal.

Mr. Marchand (Langelier): He received the $100,000?

Mr. MacKay: May I put one further question to the Minister?

Mr. Marchand (Langelier): It is a serious question but I shall have to inquire because I was not aware of that fact.

Mr. McKay: Would the minister not agree—assuming that this is right, and I have the documents for him—that this type of approach by Air Canada through a travel agency official could be misinterpreted by the governments of other nations and also impinge on the prerogatives of some of the Minister's colleagues including the Secretary of State for External Affairs, as well as being questionable business ethics which could involve the jurisdiction of IATA. Is he not concerned about the implications of what Air Canada is apparently doing, not through regular channels such as the international affairs division of our airline, but rather through a travel agent?

[Mr. Munro (Minister of Labour).]

Mr. Marchand (Langelier): When I have the information I will give the opinion the hon. member is inviting.

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HEALTH

MEDICARE—ALLEGED SETTING OF TIME LIMITS FOR MEDICAL EXAMINATIONS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): A question for the Minister of National Health and Welfare, Mr. Speaker. In view of the threatened withdrawal of several practising physicians from the medicare plan in one of the provinces which is scheduling examination time allotted for patients, a gross interference with the consciences of the doctors and the quality of medicare, I should like to ask the minister whether any of the provinces have consulted with him regarding this new departure, the setting of time limits for medical examinations?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker, the only information I have is what I have read in the newspapers.

[*English*]

Mr. Rynard: Would the minister agree with me that this is a dehumanizing restriction? Since the medicare legislation protects the quality of medical care in all the provinces, does the hon. gentleman not agree he has a direct responsibility in this matter?

Mr. Lalonde: The answer to both questions is no. With regard to the first question, what I have seen reported in the press is that doctors will be required to spend a minimum of time with their patients, not a maximum. So there does not appear to be any intention of restricting the time spent with patients. Rather, doctors are being expected to spend sufficient time with their patients to enable them at least to know what is wrong with the patients.

Mr. Rynard: Would the hon. gentleman get in touch with his provincial counterparts to ascertain whether he is correct because, if the situation is as he says, time might well be wasted.

Mr. Lalonde: I have sufficient confidence in the ability of my provincial counterparts and in the medical profession in this country to deal with this matter.

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INDUSTRY, TRADE AND COMMERCE

DATE OF APPOINTMENT OF DEPUTY MINISTER OF DEPARTMENT—POSSIBILITY OF SPLITTING DEPARTMENT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Prime Minister. In view of the critical importance to the Canadian economy of the activities of the Department of Industry, Trade and Commerce particularly with reference to Canada's precarious position in the

auto pact and lessening export sales, would the Prime Minister advise us when a deputy minister will be appointed to this department?

Right Hon. P. E. Trudeau (Prime Minister): Next week.

Mr. Stevens: With the estimates for the Department of Industry, Trade and Commerce down from last year, would the Prime Minister tell us whether the department has been in a state of freeze pending a review to determine whether it should not in fact be split up with one part given to DREE and another part to the Department of External Affairs?

Mr. Trudeau: I will ask the deputy minister what he thinks about that.

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ENERGY

ATHABASCA OIL SANDS—LETTER FROM HOME OIL COMPANY—MINISTER'S REPLY AND REQUEST FOR TABLING

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources regarding a letter he received some weeks ago from the Home Oil Company requesting concessions similar to those which have been granted to the Syncrude consortium? In view of the fact that this is the only Canadian-owned oil company that has any immediate prospect of entering the development of the Athabasca oil sands, and in view of the need for supplies of oil to meet the critical situation predicted by the National Energy Board, has the minister replied to the letter from Home Oil Company and, if so, what is the nature of his response and would he be prepared to table the letter in view of the fact that he tabled the letter he received from that company?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would be glad to do so. My recollection is that the nature of my response was substantially in the vein of my testimony before the committee.

ATHABASCA OIL SANDS—REQUEST OF PETROFINA FOR PERMISSION TO EXPORT SURPLUS TO UNITED STATES—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact that a partner of Petrofina of Canada has told the National Energy Board that they may not proceed with the construction of a plant in the Athabasca oil sands unless, among other concessions, they are assured that they will be allowed to export to the United States all the oil that is surplus to Canadian requirements, can the minister assure the House that no such guarantee will be given having regard to the need for Canadian self-sufficiency of oil supplies in the future?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the National Energy Board Act provides for determining the appropriate point to review any exportation. This is a new and additional condition that has not been included within previous applications, and I would think it is a condition that we would not accept.

ATHABASCA OIL SANDS—POSSIBILITY OF NATIONAL PETROLEUM CORPORATION PARTICIPATING IN DEVELOPMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. In view of the reluctance of many of these companies to enter the Athabasca oil sands project, and in view of the fact that they are imposing more and more conditions, is the minister examining the possibility of the National Petroleum Corporation entering the field, either as a joint venture with any provinces that are interested or on its own?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the National Petroleum Corporation, Petro-Canada, will be entering into Syncrude as a partner.

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[*Translation*]

AGRICULTURE

FEED GRAIN—REQUEST FOR ASSURANCE MILLERS IN QUEBEC HAVE ACCESS TO SUPPLIES

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

Could he assure the House, in a clear and precise way, that millers have free access to the Montreal and Quebec City ports to obtain their feed grain supplies?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker.

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AUDITOR GENERAL

SUGGESTED TABLING OF MODEL BILL PREPARED BY REVIEW COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the President of the Privy Council whose official duties, I understand, include the difficult task of concealing all documents that are painful or embarrassing to the government or too esoteric to be disclosed to public view. Would the hon. gentleman now agree to table the model bill regarding the Auditor General prepared by an internal committee, which is alleged to suggest very considerable extensions of the power of that official, so that the members of the House will have an opportunity of judging what is in the bill?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, when the government is ready to present a bill to the House, it will be presented. Whether it will be exactly along the lines of the bill that had been prepared in the past, I do not know. I would hope we would be

influenced by the report of the group that is advising the Auditor General.

Mr. Baldwin: A supplementary question, Mr. Speaker. In light of the views of this House, certainly the views of members on this side of the House as illustrated by the motion moved pursuant to Standing Order 43 this afternoon, would the minister take into account our views that parliament should have some input into the preparation of the bill because of the special relationship between the Auditor General and parliament, rather than just vetting the mild version that the government will probably prepare?

Mr. Sharp: Mr. Speaker, I am quite sure that the government, when it exercises its responsibility, will want to act in the interests of parliament as a whole and will be very ready to accept any amendments that are useful and in the interests of the adequate control of the public purse.

* * *

● (1430)

EXTERNAL AFFAIRS

CONFERENCE OF OIL PRODUCING AND CONSUMING NATIONS—CANADIAN REPRESENTATIONS ON SUBJECTS TO BE DISCUSSED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs relating to questions asked of him yesterday regarding the energy conference in Paris that started on the seventh, and in respect of which the Minister of Energy, Mines and Resources said on March 5 the government of Canada would keep in close touch with these discussions and make its views known to all participants with whom we have diplomatic relations and, in particular, with members of the International Energy Agency which will be participating. Does the minister stand by his response yesterday, that we were not in attendance at that conference, therefore how could we have expressed our views, not being there?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, the general view of the Canadian government on the conference is that we would have preferred that it concentrate on energy and closely related matters. As I understand the situation, however, this view was not shared by all members of the committee who attended. Had we been present we would have sought a compromise, but we were not there and, as the hon. gentleman knows, so far the efforts to get the conference underway have not been successful. As I told him yesterday, however, these efforts are continuing.

Mr. Stanfield: Mr. Speaker, I would ask the Acting Secretary of State for External Affairs whether in fact the government of Canada made any representations regarding the position that should be taken at the conference, or made any representations for example through the International Energy Agency as to that position? Did the minister in fact make any representations?

[Mr. Sharp.]

Mr. Sharp: Mr. Speaker, the views that the government expressed were the views we made known to the International Energy Agency. My understanding of the position is that these developments took place in the last few days, and we were not called upon specifically to comment on them. I have expressed the view, which I have expressed again now, that we would prefer a conference that was devoted specifically to energy and related matters. At that preparatory conference, however, some of the underdeveloped countries wanted to extend the ambit of the conference to a wider scope, and the preparatory conference broke down on this question. We are still hopeful, however, that some compromise can be reached.

Mr. Stanfield: Mr. Speaker, even if the minister or some minister in the government did not keep in close enough contact to make his views known while the meeting was going on, has the government of Canada made any representations since that time as to the scope of the agenda it would have preferred? When the Acting Secretary of State for External Affairs said a moment ago that Canada would have preferred some compromise did he mean to indicate that although Canada's preference would be confined to a discussion on energy or petroleum, Canada would be prepared to enlarge the scope of the conference to include other raw materials?

Mr. Sharp: Mr. Speaker, we would prefer the conference to be held, but we would not want a conference that was so wide in its scope as to have very little influence on the field of energy, which is our prime interest. We are in favour of a compromise.

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[*Translation*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—INQUIRY WHETHER MINISTER MET WITH MEDIATOR

Mr. Roch La Salle (Joliette): Mr. Speaker, I want to put a question to the Minister of Labour.

Since on April 2, Mr. Poirier, the federal mediator in the longshoremen's dispute in Quebec, stated that he was unable to meet the two parties and since the negotiations were interrupted at that time, I want to ask the minister whether he has met with Mr. Poirier since April 2, what the discussions were, and what kind of measures the minister invited the mediator to take to settle the dispute.

[*English*]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I did meet with Mr. Poirier I believe on the date the hon. member mentioned. He indicated he had been meeting with the parties but negotiations had broken down, and that he felt there should be an interval of time for the parties to reassess their positions, at which time there might be hope for further mediation.

[*Translation*]

Mr. La Salle: Mr. Speaker, I want to put a supplementary question to the Minister of Labour.

Since the minister considers it necessary to let some time pass before the negotiations can resume, when will

the minister ask Mr. Poirier to take the necessary steps toward such a resumption, so that Quebec producers can obtain justice?

[*English*]

Mr. Munro (Hamilton East): There was no specific date, Mr. Speaker. When Mr. Poirier was down here he was instructed to make himself available to the parties at all times, particularly since he was here, in the hopes of arriving at a settlement. In that sense he was under a constant mandate to try to bring the parties together if they were prepared to come together.

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RESOURCES

WATER—VIEW OF MINISTER OF STATE FOR URBAN AFFAIRS ON SHARING WITH UNITED STATES—GOVERNMENT POSITION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, when speaking to the American Society of Planning Officials the Minister of State for Urban Affairs, Barney Danson, said he would be very hardheaded about sharing energy resources, but a much softer line would be appropriate where renewable resources like water were involved. Was the minister expressing government policy when he made this statement and, if not, what is the Prime Minister's opinion on this subject?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this statement was drawn to my attention and it was stated quite clearly by the minister that he was expressing personal views. If the hon. member wishes to read the report he will see that this is made quite clear.

Mr. Wenman: Mr. Speaker, has the Prime Minister participated in or is he aware of any discussions with the United States regarding the use of Canadian fresh water supply by the United States, and what is the government's policy on the export of Canadian water to the United States?

Mr. Trudeau: Mr. Speaker, I know of no approach that has been taken, at least in recent times, by the United States on this subject. There has been no decision made nor is any contemplated by the government of Canada on the export of water.

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ADMINISTRATION OF JUSTICE

CAPITAL MURDER CASES—INQUIRY AS TO CABINET ACTION IN CASES WHERE NO RECOMMENDATION OF MERCY MADE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I know I could direct this question to three different members of the Cabinet, the right hon. Prime Minister, the Solicitor General and the Minister of Justice, but I think the Minister of Justice is the man to answer this question at this time. My question arises from a recent example of the decision and the verdict of a jury being overruled by an appeal court and again by the Supreme Court, all of which is of grave concern to the future prospects—

Mr. Speaker: Order, please. If the hon. member has a question would he be kind enough to put it.

Mr. Alkenbrack: This is of grave concern to the future prospects of the jury system in our administration of justice. In light of what has happened, in present cases of persons being convicted and sentenced to hang for capital murder, will the Cabinet also overrule and void the sentence of the ultimate penalty, even where no recommendation of clemency has been made by the jury or a majority of the jury?

Mr. Speaker: Order, please. I recognize the hon. member for York-Sunbury.

Mr. Alkenbrack: I rise on a point of order, Mr. Speaker.

Mr. Speaker: I will hear the hon. member's point of order at three o'clock.

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EXTERNAL AFFAIRS

VIET NAM—REFUSAL OF GOVERNMENT TO GRANT EXIT VISAS TO DEPENDANT CHILDREN OF VIETNAMESE IN CANADA—GOVERNMENT ACTION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, what action if any does the government of Canada contemplate in light of the refusal of the government of South Viet Nam to allow exit visas for dependent children of landed Vietnamese immigrants in Canada?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, of course we cannot interfere with the decisions of other governments, but we will certainly take whatever action we can in an attempt to reunite families of Canadians or Canadian landed immigrants.

Mr. Howie: Mr. Speaker, would the Acting Secretary of State for External Affairs receive an application from me if I gave him sone information?

Mr. Sharp: Certainly, Mr. Speaker. I may have to discuss it with my colleague but I would be glad to receive it.

PROPOSED NATO SUMMIT MEETING—GOVERNMENT VIEW OF NEED FOR MEETING

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Prime Minister. In light of President Ford's statement that he endorses the idea of a NATO summit meeting, will the Prime Minister support such a summit meeting, and also what would Canada's position be at that meeting?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs dealt with that question about a week ago, I believe. He indicated that he had expressed some reservations on the timing of the summit which had been discussed for the end of

May but indicated of course that if one were to be held we would certainly consider favourably the opportunity to participate in it. As of now, there has been no date announced. I believe the NATO Council is meeting tomorrow at Brussels and we will know whether or not the summit meeting is to take place at the end of May.

● (1440)

Mr. McKinnon: I have a supplementary, Mr. Speaker. The right hon. gentleman again distorted somewhat the answer of the Acting Prime Minister on April 10, as noted in *Hansard* when he dealt only with the timing. Does the Prime Minister not now agree that the changing situation in respect of Portugal, Italy, Greece and Turkey requires NATO consultation at the highest level to affirm once again our cohesion and common destiny?

Mr. Trudeau: Yes, Mr. Speaker, this certainly is a very important and urgent situation that is developing. Really the only question is the timing for that particular meeting. The fact that the hon. member mentioned two countries which already have indicated they would not be represented at the summit makes one wonder if it will be all that important to have the council sitting at that particular time. I repeat that the Secretary of State for External Affairs expressed his views on that to various people, including Secretary Kissinger. We are not holding back on the meeting which is not confirmed. We think there should be one. The only question is one of timing so that there would be sufficient preparation for it. If the meeting should take place, which is hypothetical, I assure the hon. member that this government will be represented at the summit.

Mr. Speaker: The hon. member for Victoria on a final supplementary.

Mr. McKinnon: Mr. Speaker, I wonder whether the right hon. gentleman could explain his statement about me mentioning two countries which will not be attending. I was quoting the President of the United States who intends to attend this conference to "affirm once again our cohesion and common destiny".

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ROYAL CANADIAN MOUNTED POLICE

COMPLAINT OF CORPORALS COX AND MATERIE CONCERNING ALLEGED BREACH OF SECURITY—POSSIBILITY MINISTER BEING SUED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Solicitor General. Has he received any complaints from Corporal Cox and Corporal Materie members of the National Crime Intelligence section which complaint alleged that there has been a very serious breach of security? Has he received that complaint and what was the nature of the security breach?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not recall the names. Would the hon. member tell me whether this was recent or some time back?

Mr. Woolliams: Mr. Speaker, it has been in the last year. I might put the question to him—

Mr. Speaker: Order, please. In the light of that, perhaps the hon. member might better seek that information in another way.

Mr. Woolliams: I have a supplementary question, Mr. Speaker. Has the minister been sued in the Federal Court because of a breach of security? Has he been served with a statement of claim in this regard?

Mr. Allmand: Mr. Speaker, from time to time I receive complaints from members or ex-members of the RCMP. I have been sued by some individuals. I cannot recall names. I will have to look at the records in order to find this information.

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INDIAN AFFAIRS

MERCURY POISONING OF NATIVES AT WHITE DOG AND GRASSY NARROWS RESERVES—GOVERNMENT ACTION ON ALTERNATIVE EMPLOYMENT AND COMPENSATION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the evidence that at the White Dog and Grassy Narrows reserves, out of 17 Indians examined, Dr. Newberry found 15 to be suffering from Minamoto disease or mercury poisoning, would the minister advise the House what arrangements he has now made after his belated acknowledgement that they should not eat the fish to see if there are some other alternative protein sources for those bands. Second, what arrangements have been made for alternate employment or an alternate livelihood beyond welfare.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I indicated in an earlier reply to the hon. member that we felt the logical alternate employment would be a move to another location. That has been discussed with Chief Keewatin on the Grassy Narrows Reserve. He and his band were utterly opposed to making that move, so unfortunately that alternative is not available. We are pursuing the other aspect with my colleague the Minister of National Health and Welfare to see if there are some other short-term arrangements we can make.

Mr. Leggatt: Mr. Speaker, as a supplementary may I ask the minister whether he would advise what steps his department has taken to ensure that the native people on those reserves will receive adequate compensation from those responsible for the destruction of their livelihood because of mercury poisoning? What steps has he taken to assist the Indians to help themselves to obtain just compensation for the destruction of their livelihood.

Mr. Buchanan: Mr. Speaker, when I met with them last fall I discussed the possibility of taking the company involved to court.

HEALTH

ASBESTOS LEVELS IN LAKE SUPERIOR—GOVERNMENT ACTION TO STOP ASBESTOS DISCHARGES AT SILVER BAY, MINNESOTA

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is directed to the Acting Minister of the Environment or the Minister of National Health and Welfare. What immediate action are the federal officials taking to stop asbestos discharges at Silver Bay, Minnesota which it has recently been revealed are leading to asbestos levels in Lake Superior which are higher than allowable and which United States scientists consider to be dangerously high.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sure my hon. friend would be pleased to make his representations to his colleagues in the Ontario government since the health aspect of water quality is controlled by provincial and municipal health departments in Canada. I might also inform my hon. friend that the Health Protection Branch scientists in my department are co-operating in a large scale study in the United States in respect of the health aspects of ingested asbestos.

Mr. Clark (Rocky Mountain): On a supplementary, Mr. Speaker, I should like to ask the minister will he stop attempting to avoid his responsibility for problems which occur outside the jurisdiction—

Mr. Speaker: Does the hon. member have a supplementary question?

Mr. Clark (Rocky Mountain): Excuse me, Mr. Speaker. My question is, when will the minister and the federal government recognize their responsibility for problems which arise in the United States, a foreign jurisdiction outside the jurisdiction of the province of Ontario, when there are concentrations of asbestos which have moved in the last three years from a point where they were considered not to be dangerous to a point where they are now considered to be dangerous? Is he suggesting that the Government of Ontario has jurisdiction over a situation which arises internationally in the United States?

Mr. Lalonde: Mr. Speaker, I can only answer my hon. friend by asking when he will learn to get his facts straight.

Mr. Clark (Rocky Mountain): Is the minister telling the House that the Silver Bay—

Mr. Speaker: The hon. member for South Shore.

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EXTERNAL AFFAIRS

PROPOSED NATO SUMMIT MEETING—POSSIBLE DISCUSSIONS WITH UNITED STATES ON NECESSITY FOR MEETING—ATTENDANCE OF PRIME MINISTER

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Prime Minister. On Monday the Prime Minister promised to check with the Secretary of State for External Affairs to see if there had been any discussions with United States authorities concerning NATO in light of the growing threat of Communism which is now menacing Europe. I should like again to ask the Prime Minister if he has had any discussions with the President of the United States on this matter and if a summit meeting is called for May or later is it his intention to attend and can he tell the House what Canada's position would be at such a meeting?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I indicated the answer to that in respect of a previous question earlier today when I indicated that the Secretary of State for External Affairs had indeed discussed this matter with Secretary Kissinger at the last meeting. On that occasion the Secretary of State for External Affairs repeated the position he made public that we would go along with the idea of a summit if it was thought necessary but we had some question about the timing.

● (1450)

On the other part of the question, I also answered in my previous answer that in the hypothetical case of the summit meeting being held at that point, I indeed would go and represent Canada. I hope I will have the support of hon. members opposite. As to the position we will take, I will have occasion to report to the House on that in due course.

* * *

HOUSING

ALLEGED THREATS BY CMHC OFFICIAL TO NOVA SCOTIA MINISTER—GOVERNMENT ACTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Would the minister inform the House what action he has taken regarding the charge by the Liberal minister of housing in Nova Scotia that threats had been made by an official of CMHC to the effect that Mr. Fitzgerald must toe the line or a squeeze would be put on CMHC funds for use in Nova Scotia?

Some hon. Members: Shame!

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have heard of these reports, and I have asked for an investigation. I will be calling Mr. Fitzgerald. I doubt if anything like that could conceivably have taken place, considering the integrity of the officials of CMHC.

Miss MacDonald (Kingston and the Islands): Is the minister implying that Mr. Fitzgerald, when he said, "such threats from a CMHC official are highly irregular, and I am prepared to take the matter up with CMHC president William Teron and federal urban affairs minister Barnett Danson," was lying?

Mr. Danson: Not at all, Mr. Speaker. I mentioned that I had not spoken to Mr. Fitzgerald. I just read the report, just as an hon. member heard reports about my selling water somewhere. I have to get the facts straight. I would

rather hear the facts by speaking to the person directly than by going by newspaper reports.

PROPOSAL TO EXAMINE CMHC CAPITAL SPENDING BUDGET IN COMMITTEE—MINISTER'S POSITION

Miss Flora MacDonald (Kingston and the Islands): Given the intensified criticisms of present policies of CMHC which are being voiced at the provincial level right across this country, will the minister now say when he intends to fulfil his commitment to bring the capital spending budget of CMHC before the standing committee so that that corporation's policies, which are causing such consternation at the provincial level, can be examined in detail? Is he not prepared to tell us when he will fulfil his commitment?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am looking forward to appearing before the committee and discussing everything as openly as possible, including the capital budget.

* * *

[*Translation*]

SOCIAL SECURITY

CANADA PENSION PLAN—DATE OF NAMING ADDITIONAL MEMBERS TO COMMISSION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to put a question to the minister of National Health and Welfare.

Could he tell us when additional members will be appointed to the pension plan appeal commission and does he know that there is no co-operation from Quebec for the operation of that Commission? In addition, does he know that Quebec having appointed its own Board is demanding the return of any Quebec file connected with the operation of the appeal Commission?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I hope that the members will be appointed in the very near future. I must point out to the hon. member that there have been constant consultations with the Quebec government on the matter during the past year and that the developments up to now are in accordance with the spirit of the provincial and federal legislation.

Mr. Lambert (Edmonton West): Mr. Speaker, I have a supplementary.

Is the minister stating to the House that the province of Quebec has the right, under the federal act and pursuant to the agreement passed between Canada and Quebec on that matter, to take away any record and set a jurisdiction that is complementary and perhaps divergent at the Canadian level? What are the rights of Canadians and Quebecers in each jurisdiction?

Mr. Lalonde: Mr. Speaker, the hon. member certainly does not expect me to give a legal opinion to the House on the respective rights of the two levels of government in that field.

[Mr. Danson.]

[*English*]

PUBLIC SERVICE

INQUIRY WHETHER PROSECUTION OF ILLEGAL STRIKERS WILL EXTEND TO UNION OFFICIALS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the President of the Treasury Board. In its consideration of criminal court action against members of designated groups in the recent blue collar strike, has the Treasury Board decided whether there should also be action against PSAC higher ups who planned to put the designated groups on the picket lines, or will the law only be applied to "Joe Lunchpail"? I was going to say "Joseph Boardroom", but I will say to union brass.

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we apply the act as it is written and we prosecute all those who have infringed it. Does it include union officials? I do not know, I do not think so, but I will check and report to the hon. member.

* * *

BILINGUALISM

FARES LANGUAGE SCHOOL—INQUIRY AS TO RENEWAL OF CONTRACT

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the President of the Treasury Board. Is the minister now in a position to report as to his investigation of the Fares language school for civil servants specifically regarding the renewal of the school's contract with the federal government?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I investigated the matter and the contract will not be renewed until the inquiry is completed.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

LEGALITY OF DEMURRAGE CHARGES AGAINST INNOCENT THIRD PARTY—GOVERNMENT POSITION

Mr. Arnold Malone (Battle River): I would like to direct a question to the Minister of Justice. Before embarking on his trip to the western cities, will he "consult with legal authorities in the Department of Justice on the legality of demurrage charges being forwarded to innocent third parties, namely, farmers, and not being picked up by the unions and management organizations?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the questions of demurrage which arise, will, I think arise either in the case of the Canadian Wheat Board or of individual private owners of grain, and in each case they will have their own legal advice.

Mr. Malone: Is the minister suggesting that the board has no direct obligation to find out, in view of the fact that

so many farmers across the country are asking about the legality, and the Wheat Board is the only institution being sued, but represents all farmers?

Mr. Lang: There are many private individuals who own grain involved as well, but of course the Canadian Wheat Board is very careful about its contractual arrangements and obligations and obtains constantly very good legal advice.

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NORTHERN AFFAIRS

MACKENZIE HIGHWAY—DATE OF DECISION ON CONSTRUCTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. On March 21 I asked the minister about the future of the Mackenzie highway, and in response to my question he said that the cabinet was currently examining the matter. I wonder if he can tell us if the cabinet has made a decision, and if not, when we can expect a decision.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, this matter is still under consideration. I am not certain that I said cabinet. I thought I said department. The matter is still under consideration, and we have not yet taken a decision.

* * *

TOURISM

DISCREPANCY IN MAP OF BRITISH COLUMBIA—REQUEST FOR CORRECTION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is actually a supplementary to one posed by the hon. member for Kootenay West last Tuesday to the Minister of Industry, Trade and Commerce. If he will check that tourism map which is published in the *National Geographic* magazine, he will find that the city of White Rock, British Columbia has been exchanged for Blaine, Washington.

Some hon. Members: Shame!

Mr. Friesen: I think this is carrying international trade too far. Since White Rock is known for its recreational beaches, I wonder if the minister will be good enough to check his records to see if that city really is there.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am sure I do not need to check to assure the House of that fact. That city is very well represented in this House.

Mr. Clark (Rocky Mountain): Mr. Speaker, I rise on a point of order. The Minister of National Health and Welfare mislead the House in making in answer to a question of mine, a mis-statement of fact when he suggested that responsibility lies with the province of Ontario for a problem which is known to originate in Minnesota, outside the jurisdiction of the province of Ontario, and including an international water matter within the jurisdiction of the International Joint Commission. I hope that the minister will correct the record and that he will accept his responsibilities.

Mr. Lalonde: Mr. Speaker, the record tomorrow will show exactly what I said.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, may I be permitted to ask the President of the Privy Council about the business for the rest of this week and for all of next week?

Mr. Sharp: Mr. Speaker, I will give the intended business for today, tomorrow and Monday. Today we will continue with Bill C-32, the petroleum administration act. Tomorrow we will take, in this order, Bill C-3, Bill C-5 and Bill C-20. On Monday, if the report of the Standing Committee on Miscellaneous Estimates has been made and we are in a position to proceed, I intend to call Bill C-44. I am not certain of the business thereon because I am not sure how long these items will take.

● (1500)

Mr. Baker (Grenville-Carleton): On the same matter, Mr. Speaker, in view of the undertaking given by the Minister of State for Urban Affairs to have his capital spending estimates brought before the Standing Committee, I wonder if the government House leader would consult with his colleague and see what can be done about having that reference made as quickly as possible so that the committee could get on with this important study.

Mr. Speaker: The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the government House leader with respect to his announcement that on Monday we might be dealing with Bill C-44? Is it clear that no attempt will be made to proceed with this bill on Monday unless we have a reprint of the bill as it was amended by the committee, and also the reports of the committee?

Mr. Sharp: I hope that will be possible, Mr. Speaker. I had not realized there might be any delay in that respect, but I understand the concern of the hon. member and I will try to speed up the progress of the report. At least we will have a reprint of the bill before us, I would hope.

Mr. Knowles (Winnipeg North Centre): With respect to House business, may I also ask the government House leader when there will appear on the order paper the bills to amend the Old Age Security Act about which the Minister of National Health and Welfare has been making pleasant noises?

Mr. Sharp: I am sure my hon. friend will show his customary zeal.

Mr. Speaker: The hon. member for St. John's East.

Mr. McGrath: Mr. Speaker, regarding the business of the House, I want to draw to the attention of the government House leader the fact that there were 11 committees meeting this morning, mostly in consideration of estimates. This deprived a number of members of the opportunity to carry out their responsibility to scrutinize the spending of the government. I should like to ask the government House leader if he would take under consideration a more proper scheduling of these committee meetings so that we can carry out all our responsibilities in all the committees.

[*Translation*]

Mr. Fortin: Mr. Speaker, on the same point of order, I should like to address the President of the Privy Council and make a fresh attempt for the umpteenth time. The throne speech mentioned the presentation of new legislation on unemployment insurance. I asked the President of the Privy Council many times when this legislation to amend the 1971 act would be brought forward. Did the President of the Privy Council keep his promise to get information from the Minister of Manpower and if he did, when will the bill to amend the present act be presented?

[*English*]

Mr. Sharp: I shall make inquiries, Mr. Speaker.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 27, 70, 673, 771, 1,221, 1,225, 1,523, 1,559, 1,570, 1,771, 1,781, 1,797, 1,798, 1,815, 1,829, 1,839, 1,840, 1,841, 1,867, 1,933, 1,934, 1,963, 1,970, 1,978, 2,008, 2,128 and 2,147.

Mr. Speaker, if question No. 881 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

POLICIES AND OBJECTIVES UNDERTAKEN BY GOVERNMENT

Question No. 27—**Mr. Cossitt:**

1. What is the complete list and the exact description of each promise or undertaking to the Canadian people made public by the Prime Minister or by anyone acting on his behalf between May 1, 1974 and July 8, 1974?

2. What is the estimated cost in each such case and what is the estimated total cost for all such promises or undertakings?

[Mr. Knowles (Winnipeg North Centre).]

3. Will the government proceed to enact all such promises or undertakings within the next twelve months and, if not (a) for what reason (b) what are the specific promises or undertakings that it will not enact and what is the reason in each such case?

Right Hon. P. E. Trudeau (Prime Minister): 1. From May 1 to the dissolution of the 29th Parliament government policy, as is the custom, was disclosed to the House. From the commencement of the election to July 8, 1974, the Prime Minister on behalf of the Liberal Party of Canada outlined a series of policies and objectives which the government if re-elected would pursue in its full term of office. The Throne Speech of September 30, 1974 and the government's legislative program itemise the measures introduced to the House and Senate to this time. The Liberal Party of Canada will make available, on request, policy documents of the Liberal party issued during the election period.

2. Costs of government policies will be disclosed in the customary way, that is by Estimates and Supplementary Estimates.

3. The government will proceed with its policy program during the full term of this 30th Parliament.

STATEMENT BY PRIME MINISTER RELATING TO INFLATION

Question No. 70—**Mr. Cossitt:**

1. Where and on what date during the last federal election campaign did the Prime Minister state that he and his government are prepared to "wrestle inflation into the ground"?

2. Since making that statement, what steps or actions has the Prime Minister and the government taken to commence this wrestling match and, if none, on what date will the Prime Minister and the government take any steps or actions of this kind?

Right Hon. P. E. Trudeau (Prime Minister): 1. Etobicoke, May 27, 1974.

2. See Speech from the Throne, September 30, 1974, and the Budget Speech, November 18, 1974.

"PRIORITIES FOR THE 30TH PARLIAMENT" BY THE PRIME MINISTER

Question No. 673—**Mr. Cossitt:**

1. With reference to the newspaper column appearing on October 23, 1974, in the *Lanark Era* and other Canadian weeklies, and headed "Priorities for the 30th Parliament by Pierre Elliott Trudeau, Prime Minister", what are the names and addresses of all persons who had anything whatsoever to do with compiling or writing this column in whole or in part?

2. Are such persons government employees and (a) if so, what are their job designations (b) if not, are they employees of the Liberal Party of Canada?

3. Did the Prime Minister see and approve all the material in this column before it appeared in print and, if so, on what exact date and time?

4. Will the Prime Minister continue to permit his name or that of any Cabinet Minister to be shown as the author of newspaper columns that have been written by paid public relations functionaries of the Liberal Party of Canada and, if so, for what reason?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. The column is signed by the Prime Minister and he alone is responsible for it.

3. October 7, 1974.

4. The question is of a hypothetical nature.

SPACE ALLOTTED TO DONOVAN JOY ON DND 707 FLIGHT

Question No. 771—**Mr. McKinnon:**

With reference to the answer to Question No. 306, wherein the Department stated that Mr. Donovan Joy was allotted priority one space on a DND 707 flight, Comox to Ottawa, on April 22, 1974, and the purpose was "to advise the Minister upon the completion of reports", were the Minister of the Environment and Mr. Joy on the West Coast for several days before they flew East together and, if so, for what reason did Mr. Joy not report to the Minister in situ instead of occupying priority space on DND 707?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): This matter does not fall within the administrative responsibility of the present Minister of the Environment (see Beauchesne's Parliamentary Rules and Form—Fourth Edition, citation 171 (LL)).

SIRENS—ACCIDENTAL TRIGGERING

Question No. 1,221—**Mr. O'Sullivan:**

1. Did sirens warning of a possible nuclear attack sound in Southern Ontario during the last week of December, 1974 and, if so (a) how many sirens sounded (b) in which municipalities (c) for how long did they sound (d) for what reason did they sound?

2. (a) Who is responsible for the maintenance of these air raid sirens (b) how much was paid for their maintenance in the calendar year 1974 (c) what measures, if any, have been taken to prevent any accidental triggering of these sirens in the future?

3. In the event of the air raid sirens sounding, which members of the Cabinet, if any, are to be so advised?

4. Were any members of the Cabinet advised of the soundings that occurred during the last week of December, 1974 and, if so, which members and on what date?

Hon. James Richardson (Minister of National Defence): 1. No. The sirens were triggered and emanated a flat monotone sound but the attack warning signal was not given. The attack warning signal is a waiting, undulating sound. (a) 162. (b) The municipalities in which the sirens sounded are: Newmarket, Markham, Stouffville, Richmond Hill, Maple, Woodbridge, Aurora, Oak Ridges, Thornhill, Oakville, Streetsville, Brampton, Malton, Cooksville, Port Credit, Toronto, Georgetown, Milton, Hamilton, Action, St. Catherines, Beamsville, Niagara on the Lake, Welland, Niagara Falls. (c) The duration of the sounding varied from 15 to 45 minutes. (d) The activation of the sirens was due to an act of vandalism by two teenagers using powered rifles.

2. (a) CFB Toronto—Base Construction Engineering Section. (b) $8,490. (c) Within the design of the system there are physical, mechanical and electrical safeguards to provide reasonable assurance against the sirens being activated accidentally. All accidental soundings in 1974 were attributable to lighting, ice storms or vandalism. Measures to preclude all possibility of accidental sounding would be cost prohibitive.

3. The Minister of National Defence or the Acting Minister, is to be advised if the attack warning signal is given.

4. No. The minister is only advised if the attack warning is sounded. Accidental soundings are reported to the regional commander for corrective action and advice to the public.

PRIME MINISTER'S VACATION

Question No. 1,225—**Mr. Cossitt:**

1. What is the full name and job designation of the person on the Prime Minister's staff who informed the press that it was not possible to reveal where the Prime Minister would spend his recent vacation "for security reasons"?

2. Was such a statement by the member of the Prime Minister's staff an attempt to create an air of importance designed to attract public attention to the Prime Minister and members of his family for political purposes?

3. Did the Prime Minister or anyone acting on his behalf request secrecy from the Jamaican Government concerning the vacation and (a) if so (i) on what date and by whom was such a request made (ii) what are all the details of the request (b) if not, what was the basis or consistence in the attempt by the Prime Minister's Office to shroud the vacation in the secrecy at the outset?

4. What are all the reasons that details were withheld at the outset from members of the Canadian news media when the Prime Minister was aware that on arrival he would be met by the Prime Minister of Jamaica and members of the news media in that country?

5. (a) Is the Prime Minister aware that President Ford of the United States recently vacationed in Colorado and, if so, is he aware that there were no pompous attempts by the President's Office to shroud the vacation in secrecy (b) is the Prime Minister aware that the President talked freely to members of the public and the news media while on vacation and is the Prime Minister giving consideration to following President Ford's example?

Right Hon. P. E. Trudeau (Prime Minister): 1. Courtney Tower, Assistant Press Secretary.

2. No.

3. (a) No. (b) None.

4. The Prime Minister's vacation was a private occasion.

5. (a) No. (b) The Prime Minister regularly talks freely with members of the public and the news media.

AIR CANADA PASSES

Question No. 1,523—**Mr. Cossitt:**

1. Since January 1, 1974, how many passes have been in effect and at any time issued by Air Canada (a) what are the names and addresses of all persons holding such passes (b) what are the reasons in each case that a pass was issued (c) in each case, was the pass requested by the holder or someone acting on the holder's behalf?

2. Have any passes been called in by Air Canada or returned by the pass holder since January 1, 1974 and, if so, what are the names and addresses of such pass holders and what is the reason in each case for such a move?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. (a) and (b) Air Canada has a program of limited personal free transportation for its 22,000 employees and their qualified dependents. The quantity of such passes, which are subject to the availability of space at flight departure, is sealed in accordance with an employee's years of service. A number of passes are provided each year for promotional purposes and the airline considers the names of persons receiving these individual trip passes as proprietary information. As well, passes are issued as required for employee business travel and to non-company persons such as cabinet ministers, Ministry of Transport officials with aviation responsibilities, Canada Post Office offi-

cials, other airline heads, and to certain CN employees performing functions for Air Canada as well. These policies are similar to those of other Canadian airlines. (c) The pass recipient is usually the requestor except in the case of employees' dependents when the employee is the requestor.

2. Passes are generally not returned except on rare occasions when they are not used.

AIR CANADA PASSES

Question No. 1,559—**Mr. Blackburn:**

1. What were the names and official positions of employees of departments, agencies and Crown corporations who were holders of Air Canada passes as of February 3, 1975?

2. Do such passes entitle the holder to first-class or to economy travel?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. Air Canada's 22,000 employees and their qualified dependents are eligible for limited personal passes which are subject to the availability of space at flight time. Passes are also issued to company employees as required for business travel, and term passes are provided to non-company persons such as cabinet ministers, Ministry of Transport officials with aviation responsibility, officials of Canada Post Office, heads of other airlines, and to certain CN employees performing functions for Air Canada. These policies are similar to those applied by the other Canadian airlines.

2. Taking into consideration all pass issues, the majority entitle the holder to economy travel but these passholders may at times be upgraded if space is unavailable in the economy cabin.

NATIONAL DEFENCE—PERSONNEL INVOLVED IN OCTOBER, 1970 CRISIS

Question No. 1,570—**Mr. Kaplan:**

1. How many members of the Armed Forces were involved directly or indirectly in the government's response to the insurrection in Montreal in October, 1970?

2. What proportion of Armed Forces personnel then in Canada did this number represent?

Hon. James Richardson (Minister of National Defence): 1. The number of Armed Forces personnel who were directly involved was as follows:

Period	Number of Personnel
October 18—October 31, 1970	8,066
November 1—November 30, 1970	7,200
December 1—December 15, 1970	4,211
December 15, 1970—January 4, 1971	Reduced to Nil

No precise number can be given for Armed Forces personnel who were involved indirectly. However, the following indicates the type of support involved: Staff personnel at National Defence Headquarters and various Command Headquarters, who prepared orders and arranged for administrative and logistic support. Air Transport Command resources. Depot, workshop and repair facilities. Bases support in the despatch of personnel and administrative functions.

2. The proportion varied over the time frames between October 18, 1970 and January 4, 1971, however, as there were approximately 83,600 Armed Forces personnel stationed in Canada at that time the highest percentage directly involved was 9.6 per cent.

LAND USE POLICY

Question No. 1,771—**Mr. Clark (Rocky Mountain):**

What specific steps are being taken by the government to discourage the non-agricultural use of agricultural land in Canada?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): The administration and regulation of use of lands is a provincial jurisdiction. The government of Canada is, however, undertaking a comprehensive review of all activities within its area of responsibilities that directly affect land use and particularly the use of highly productive lands including agriculture. As indicated in the Speech from the Throne of the 29th Parliament, discussions have been initiated with the provinces towards the development of a national land use policy. In addition the government of Canada requires the preparation of an environmental assessment and review of all capital projects undertaken by a federal department, in which there are substantive federal funds or occurring on federal lands. By this means the irretrievable use of highly productive lands, including those with a high capability for agriculture, can be controlled.

CRESTON VALLEY WILDLIFE MANAGEMENT

Question No. 1,781—**Mr. Brisco:**

1. What percentage of the capital cost of operating the Creston Valley Wildlife Management area is paid for by the (a) government (b) Government of British Columbia.

2. Are the salaries of employees paid by the provincial government or the government.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. The Creston Valley Wildlife Management Area operates using funds derived from: (i) grants to a trust fund by the governments of Canada and British Columbia; (ii) appropriations by the B.C. legislature. Summary of funds provided to the Creston Valley Wildlife Management Area for 1974-75: (i) Grants to trust fund 1974-75: Canada, $55,000; British Columbia, $55,000; (ii) Appropriation by B.C. legislature: 1974-75, $72,130; Percentage contributed by Canada, 30 per cent; British Columbia, 70 per cent. In addition the B.C. department of labour supplied $44,000 for summer help in 1974-75. All building maintenance is done by the B.C. department of public works. The C.V.W.M.A. also derives limited revenue from the granting of permits, campground fees, etc.

2. Employees are paid by the British Columbia government out of funds appropriated for the Creston Valley Wildlife Management Area.

MR. PITFIELD'S TRIPS

Question No. 1,797—**Mr. Cossitt:**

With reference to the answer to Question No. 447 to the effect that Mr. Michael Pitfield accompanied the Prime Minister as liaison officer on a trip to the Mediterranean for a period of twenty-four days from August 16 to September 9, 1969, what was (a) the exact and detailed itinerary for each day involved including the location in which each day and night was spent (b) the names and owners of any ship travelled upon (c) the names of all persons present on any ship other than bona fide members of the crew?

Right Hon. P. E. Trudeau (Prime Minister): The itinerary and mode of travel were those chosen by the Prime Minister since he was assisting the Prime Minister as referred to in Question 1,798.

MR. PITFIELD'S TRIPS

Question No. 1,798—**Mr. Cossitt:**

With reference to the answer to Question No. 447 to the effect that Mr. Michael Pitfield accompanied the Prime Minister on eight specifically named trips to foreign places in the capacity of liaison officer (a) were these in reality joint holidays for the Prime Minister and Mr. Pitfield paid for in whole or in part from public funds (b) did Mr. Pitfield do any work whatsoever on these trips and, if so (i) what is a detailed list of the work done (ii) dates involved (iii) people dealt with during each of the eight listed trips?

Right Hon. P. E. Trudeau (Prime Minister): It is government policy that the Prime Minister may travel with an official or officials to give him administrative support and in order to provide for possible emergencies and that expenses thus incurred by the official should be paid from public funds.

CONFLICT OF INTEREST

Question No. 1,815—**Mr. Herbert:**

Is "conflict of interest" legislation being considered to cover employees of Crown corporations?

Right Hon. P. E. Trudeau (Prime Minister): The government policy with respect to conflict of interest of employees of Crown Corporations is set forth in the Prime Minister's statement of December 18, 1973, to the House of Commons.

TOTAL COST OF "WHY NOT—POURQUOI PAS" PROGRAMME

Question No. 1,829—**Mr. Reynolds:**

1. What is the total cost of the "WHY NOT-POURQUOI PAS" Programme?

2. How much of this money is for (a) buttons (b) newspaper ads (c) radio ads (d) television ads?

3. What percentage of the budget is for the English language?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. As of March 24, 1975, $890,296.

2. (a) $19,857; (b) $314,337; (c) $140,305; (d) $159,677.

3. Eighty per cent.

Order Paper Questions

CREWS REQUIRED CARRIAGE OF 40 PER CENT OF PRESENT LINER CONFERENCE RATED CARGO

Question No. 1,839—**Mr. Forrestall:**

Is the government taking steps to determine how many merchant seamen would be required to accommodate the staffing of the number of ships required to accommodate the movement (a) out of Canadian ports to foreign destinations (b) into Canadian ports from foreign destinations of 40 percent of the present liner conference rated cargo and (i) if not, for what reason (ii) if so, what are the specific steps and what department is responsible?

Hon. Jean Marchand (Minister of Transport): (a) and (b) Yes, steps are being taken to obtain on a continuing basis, cargo statistics on which such calculations could be based. (i) Not applicable. (ii) The statistical problem here stems largely from the fact that conference vessels carry not only conference rated cargo but also non-conference rated cargo, i.e. cargo from shippers not party to the conference. In addition, conference vessels also make voyages outside the conference structure. As indicated in replies to questions 1,131 and 1,132, means are being developed to provide satisfactory statistics on the movement of liner conference rated cargo to and from Canadian ports. The Canadian Transport Commission and Statistics Canada have this work in hand. Thereafter the statistic will figure in the report on liner conference operations which the Minister of Transport makes annually to parliament under Section 12 of the Shipping Conferences Exemptions Act. With that statistic on cargo, and setting aside considerations of seasonal movements of goods, it could readily be calculated how many ships of a given size, loaded to a reasonable percentage of their carrying capacity, would be required to move 40 per cent of that much cargo in one year. An upward adjustment could be made to allow for repairs and times in drydock. By application of the Canadian Manning Regulations, as revised from time to time, the crew complement for each such ship could be determined. In order to provide for vacations and sickness, a further upward adjustment could be made.

NUMBER OF CONFERENCE VESSELS SERVING CANADIAN PORTS

Question No. 1,840—**Mr. Forrestall:**

Is the government taking steps to determine how many (a) general cargo (including passenger-cargo) (b) container type vessels were employed in the liner conference rated international inbound and outbound seaborne shipping to serve Canadian ports within the most recent 12 month period and (i) if not, for what reason (ii) if so, what are such steps and what department of government is responsible?

Hon. Jean Marchand (Minister of Transport): (a) and (b) No, it is not proposed to make such surveys on an annual basis. (i) In the liner trades, ships switch from conference to conference during the year depending on cargo availability in various parts of the world. Some ships visit Canada frequently, others rarely. The number of different liner vessels visiting Canada in a year is therefore not particularly relevant to our work and lists are not compiled from port records on an annual basis. Special surveys are, of course, made from time to time, which can provide information for statistical breakdowns of the type requested. The most recent such survey was for the year 1972 and information from it was used in the replies to Questions 1,133 and 1,134. (ii) Not applicable.

Order Paper Questions

SHIPPING CHARGES ON CANADIAN IMPORTS AND EXPORTS

Question No. 1,841—**Mr. Forrestall:**

What was the dollar value of total payments by Canada for shipping charges on Canadian imports and exports for each of the past five years?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that shipping charges on Canadian imports and exports for the last five years are as follows:

Canadian earnings from non-residents in respect of freight and shipping charges on exports:

	$ million
1970	938
1971	954
1972	987
1973	1,166
1974	1,326

Canadian payments to non-residents in respect of freight and shipping charges on imports:

	$ million
1970	812
1971	912
1972	1,052
1973	1,225
1974	1,383

AIR CANADA—SUN LIVING PACKAGE TOURS

Question No. 1,867—**Mr. Mazankowski:**

Did Air Canada expect to lose money on its Sun Living package tours to the Barbados and, if so (a) how much money was lost last year (b) what is the financial breakdown of the loss (c) to what extent did the leasing arrangements with Sunset Crest Ltd. contribute to the loss?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: Air Canada's Sun Living programme applies to all its southern destinations and is part of a wide range of tours, vacation packages and other services offered by the airline in order to provide a complete product line to the travelling public. Prevailing market demands, coupled with market research, determine the direction the company should take to maintain and broaden its share of the market. Such things as hotel accommodation, car rentals and transportation are involved and no separate financial breakdown is made for each component part.

BRUCELLOSIS

Question No. 1,933—**Mr. Mitges:**

1. Has there been a problem with brucellosis in the Carleton County and Northern Saskatchewan areas and, if so, what action has been taken in the two areas to curtail it?

2. How great is the incidence of brucellosis in Canada in terms of (a) the number of cattle with the disease compared to the total cattle population (b) the number of diseased herds in comparison to the total herds in Canada?

3. How effective is the brucellosis vaccination in controlling and eventually ridding the country of the disease?

4. What percentage of heifers vaccinated acquire immunity?

5. At what age should female calves be vaccinated?

6. Is a programme of private vaccination by herd owners recommended?

7. Is vaccination of cows against brucellosis recommended?

8. Can a vaccinated animal spread brucellosis?

9. (a) How much and under what conditions is compensation paid regarding cattle with brucellosis (b) how is such amount determined (i) regarding grade cattle (ii) purebred cattle?

10. How long after can a farmer expect to receive compensation for infected cattle after he has disinfected his premises to the satisfaction of a departmental inspector?

11. Is it possible that a valuable cow infected with brucellosis can be placed in permanent quarantine instead of being slaughtered and, if so, in what manner and how often is it applied?

12. What training and/or experience is required by those employed in the Department of Agriculture to draw blood samples from herds to be tested for brucellosis?

13. Prior to the federal-provincial calf vaccination programme, what was the brucellosis infection rate in Canada?

14. What was the estimated annual dollar loss to the cattle industry?

15. As the result of the vaccination programme, what effect did it have on the brucellosis infection rate and the annual dollar loss to the cattle industry?

16. What is a brucellosis control area?

17. What was the result of the test and slaughter method and its effect on the reduction of brucellosis in Canada?

18. What is the national infection rate of brucellosis in Canada?

19. Did the Veterinary Director General in a speech state that brucellosis was eliminated in a number of countries and, if so, what countries?

Hon. E. F. Whelan (Minister of Agriculture): 1. A general test of Carleton County was conducted between November 1, 1974, and February 28, 1975. Out of 42,232 samples collected, only 52 positive reactors were uncovered, and there were no heavily infected herds. A general retest of the high risk area of Northwestern Saskatchewan was done during the fall and winter of 1973-74. A total of 329,213 blood samples were collected from 6,538 herds and 3,044 cattle were removed as reactors. The reactors included cattle which were negative to the test but were ordered slaughtered when heavily infected herds were ordered depopulated. At the present time, there are only 0.14 per cent of the herds under quarantine for brucellosis in the entire province.

2. (a) Between April 1, 1974, and January 3, 1975, out of a total population of approximately 15,000,000 cattle, 12,628 animals were ordered destroyed for brucellosis. Included in this figure are 5,813 cattle which were negative to the test but were ordered slaughtered in heavily infected herds that were ordered depopulated. (b) As of January 31, 1975, there were 734 herds under quarantine out of a total of 269,485 herds.

3. From 1950, when the federal-provincial brucellosis vaccination program was introduced, to 1957, the infection rate was reduced from 9 per cent to 4.5 per cent. It is recognized that complete elimination of brucellosis cannot be achieved in conjunction with calfhood vaccination.

4. Under usual field conditions, the vaccine protects about 60 to 65 per cent of the animals vaccinated.

5. An officially vaccinated animal is one that is vaccinated not earlier than three months and not later than nine months after the date of the birth of the animal. It is recommended that a calf be vaccinated as soon as possible after it reaches three months of age.

6. No.

7. Definitely not. In fact, it is illegal to vaccinate cows.

8. A vaccinated animal can be infected and may spread brucellosis.

9. Compensation is paid for all cattle ordered slaughtered for brucellosis. The maximum rate of compensation for purebred cattle is $450 and for grade cattle is $200. The owner is paid the market value of the animal up to the maximum compensation that can be paid for grades and purebreds.

10. A farmer can expect to receive his compensation in four weeks after his premises has been cleaned and disinfected to the satisfaction of an inspector from the Department except in unusual circumstances.

11. It is a dangerous procedure to place a brucellosis infected cow in permanent quarantine; this has been done only on very rare occasions and only in the case of a very valuable cow under approved and controlled conditions.

12. A new employee is trained in the field by a full time officer until the Department is satisfied that he is adequately trained to draw blood samples and to complete the required reports.

13. It was estimated at 8-9 per cent.

14. In 1957, at the beginning of the test and slaughter policy, the annual dollar loss was estimated to be $10,000,000.

15. The vaccination program reduced the infection rate from 9 per cent in 1950 to 4.5 per cent in 1957. As a result of the reduction in the infection rate, the annual dollar loss to the cattle industry was also reduced.

16. A brucellosis control area is an area that has been consituted by the Minister of Agriculture for the purpose of eradicating brucellosis. When the infection rate in brucellosis control area is below 1 per cent of the cattle and 5 per cent of the herds, the area is designated as a Brucellosis Certified Area. When the infection rate is not over 0.2 per cent of the cattle population and not over 1 per cent of the herds, the area is declared a Brucellosis Free Area.

17. The test and slaughter method, whereby infected animals are identified by testing and are ordered slaughtered, has reduced the national brucellosis infection rate from 4.5 per cent in 1957 to less than 0.2 per cent at present.

18. From April 1, 1974, to January 3, 1975, a total of 6,815 brucellosis reactors were ordered destroyed. Calculating this number of reactors against approximately 15,000,000 cattle represents a percentage infection rate of 0.045 per cent.

19. Brucellosis has been eliminated in Norway, Sweden, Denmark, Holland, West Germany and Poland.

Order Paper Questions

SWAMP FEVER

Question No. 1,934—**Mr. Mitges:**

1. How widespread is equine infectious anemia or swamp fever in Canada?

2. How can this disease be detected?

3. Is there any vaccine to prevent this disease?

4. Is compensation paid to owners of horses with swamp fever which have to be disposed of and, if so, what is the (a) minimum (b) maximum amount?

5. On what date did a programme of testing for swamp fever start in Canada?

6. How many tests have been conducted for swamp fever since that time?

7. How many tests have proved positive?

Hon. E. F. Whelan (Minister of Agriculture): 1. The incidence of this disease is relatively low with a few isolated pockets of infection in widely separated parts of the country.

2. By the testing of a blood sample drawn from the horse by a veterinarian.

3. No.

4. Compensation is payable to owners of animals ordered slaughtered under E.I.A. control program. (a) and (b) Compensation is based on the market value of the animal up to a maximum of $200. There is no minimum amount.

5. February, 1971.

6. Between February, 1971 and February 28, 1975, 202,566 tests were conducted.

7. Between February, 1971 and February 28, 1975, there were 5,593 positive reactions.

SUPPLY AND SERVICES—ECONOMIC ORDERING PATTERNS

Question No. 1,963—**Mr. Reynolds:**

1. When were the latest studies of economic ordering patterns undertaken within the Department of Supply and Services?

2. What were the results?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The development of economic ordering patterns is an inherent part of the procurement function and is done on a continuous basis. In some cases, such as in the replenishment of DSS stocked items a computer programme is used to assist in determining optimum reorder points.

2. Inventories are held to a minimum consistent with economic purchase quantities, adequate customer service and market conditions.

NATIONAL DEFENCE—TYPES OF AIRCRAFT

Question No. 1,970—**Mr. Reynolds:**

1. What aircraft, by type, does the Department of National Defence have and what is their respective use?

2. Are any aircraft in the process of being phased out and, if so, what types?

Order Paper Questions

Hon. James Richardson (Minister of National Defence): 1. The types of aircraft and their respective use in the Department of National Defence are as follows:

Aircraft Types	Use
CC109 Cosmopolitan	Transport
CC115 Buffalo	Tactical Transport-Search and Rescue
CC117 Falcon	Transport
CC130 Hercules	Transport-Tactical Transport
CC137 Boeing 707	Transport
CC138 Twin Otter	Search and Rescue
CC129 Dakota	Training and Utility
CF100 Canuck	Electronic Warfare
CF101 VooDoo	Air Defence Interceptor
CF104 Starfighter	Tactical Fighter
CF116 CF-5	Tactical Fighter and Training
CH113 Labrador	Search and Rescue Helicopter
CH113A Voyageur	Medium Transport Helicopter
CH118 Iroquois	Base Rescue Helicopter
CH124 Sea King	Anti-Submarine Warfare Helicopter
CH135 Twin Huey	Light Utility Transport Helicopter
CH136 Kiowa	Basic Trainer-Liaison-Utility Helicopter
CH147 Chinook	Medium-Heavy Transport Helicopter
CP107 Argus	Patrol-Anti-Submarine
CP121 Tracker	Patrol-Maritime Surveillance
CSR 123 Otter	Utility-Reserve
CT134 Musketeer	Aircrew Selection-Basic Trainer
CT114 Tutor	Basic Trainer (Jet)
CT133 T-33	Training-Liaison

2. All types of Aircraft are currently in use.

NATIONAL DEFENCE—DOPPLER NAVIGATION SYSTEMS

Question No. 1,978—**Mr. Reynolds:**

Is the Doppler Navigation Systems to be retained for DND aircraft and, if so, is it being upgraded or phased out?

Hon. James Richardson (Minister of National Defence): Four types of Canadian Forces aircraft are equipped with Doppler Navigation Systems. There are no current plans to change or dispense with the systems.

SUPPLY AND SERVICES—PROCUREMENT PROCESS

Question No. 2,008—**Mr. Reynolds:**

What are the routine steps made in the procurement process within the Department of Supply and Services?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Following is a list of the routine steps made in the procurement process. Some or all of these steps are followed to a greater or lesser degree depending on the nature of a particular procurement. 1. Consultation with customer department to define requirement.

2. Price and availability determination.

3. Receipt and recording of requisition.

4. Acknowledgement of requisition.

5. Allocation of requisition to purchasing specialist in a Product Centre or to a Project Manager.

6. Review and verification of requisition.

7. Facility surveys.

8. Preparation of procurement plan.

9. Establish list of eligible sources of supply.

10. Bid solicitation (competitive or single source).

11. Receipt and opening of bids.

12. Bid evaluation.

13. Contract negotiation.

14. Contractor selection.

15. Review, approval and award.

16. Contract administration including: (a) monitoring of time, cost and performance; (b) expediting and follow-up; (c) design change; (d) contract amendment; (e) quality assurance; (f) delivery, acceptance and payment; (g) termination and settlement; (h) cost audit; (i) plant and personnel security.

17. Contract close-out.

STOL AIRCRAFT

Question No. 2,128—**Mr. Robinson:**

Will the government consider the advisability of providing a Crown corporation to develop and commercialize STOL aircraft for the short haul domestic service for all parts of Canada?

Hon. Jean Marchand (Minister of Transport): The government has not yet decided what role STOL aircraft should play in providing short-haul domestic air services in Canada. In considering this question the government will study a number of options, among them the advisability of providing some of these services through a Crown Corporation.

U.N. CONGRESS ON THE PREVENTION OF CRIME AND TREATMENT OF OFFENDERS

Question No. 2,147—**Mr. Kaplan:**

Are there provisions in existing agreements relating to the United Nations Congress in Crime and Criminality scheduled for Toronto in September 1975, which in the opinion of the government prevent it from denying entry to Canada to representatives of terrorist organizations and, if so, what are such provisions?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Negotiations are still continuing between the United Nations and the Government of Canada concerning the text of the understanding that will set out the terms of reference for the 5th U.N. Conference on Crime to be held in Toronto next September. Until these are completed, it will not be possible to provide a

definitive answer to the above question. Meanwhile, the hon. member may rest assured that the Government is giving the most careful attention to the problems implicit in his question.

* * *

QUESTION PASSED AS ORDER FOR RETURN

PUBLIC SERVICE—DECENTRALIZATION

Question No. 881—**Mr. Clark (Rocky Mountain):**

1. Since 1968, which departments or agencies have decentralized functions or personnel to a region or regions and, in each case (a) what were the functions and the public service classifications of the individuals concerned (b) what was the extra saving or extra cost involved?

2. Is the Treasury Board, or any other agency of government, currently preparing, or now in possession of, a cost-benefit analysis respecting present or potential decentralization of public service functions or personnel to a region or regions and, if so, what is the (a) budget (b) personnel (c) estimated report date of that analysis?

3. Has the government entered into consultation with any province or territory or any foreign jurisdiction to determine the experience of these other jurisdictions with decentralization and, if so (a) what are the other jurisdictions (b) what, in each case, is the specific purpose of the consultation?

Return tabled.

ROUTINE PROCEEDINGS

[*Translation*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Third report of Standing Committee on Broadcasting, Films and Assistance to the Arts, in both official languages—Mr. Guilbault.

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

[*English*]

Mr. Alkenbrack: Mr. Speaker, I have a point of order concerning a matter I raised earlier in the question period. It arises because of my concern for the future of the jury system and the damage being done to it by the courts and bodies standing within the authority of the portfolio of the Minister of Justice. If appeal courts and the Supreme Court of Canada are ignoring and overruling the verdicts of juries—

Mr. Speaker: Order, please. The hon. member may have many representations to make in this regard. If he has some concern about his question being ruled out of order in the question period as a point of order, I may tell him that he clearly asked the minister to anticipate a situation that may come before him in the future, and to make a pronouncement now as to what he would do in the event of such a situation coming before him with or without a recommendation of leniency.

This has to be a hypothetical situation and accordingly it does not constitute a proper question. Neither do the hon. member's remarks at this stage, as a representation, make a valid point of order. If the hon. member has some complaint about my failure to accept his question, however, I am quite prepared to hear it as a point of order. Representations about the jury system is not a point of order.

Mr. Alkenbrack: With all due respect, my question is not hypothetical; it is realistic. This is happening today and has been happening, and we do not want it to continue to happen. To finish my point, in light of what I have outlined, is the cabinet also going to continue to perpetrate the same travesty of justice in the cases involving capital punishment now awaiting final decision?

Mr. Speaker: Order, please. Tabling of documents; the Secretary of State (Mr. Faulkner).

* * *

BUSINESS OF SUPPLY

TABLING OF NOTICE OF WAYS AND MEANS MOTION

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, pursuant to Standing Order 60(1), I am tabling on behalf of the Minister of Finance notice of ways and means motion pursuant to Standing Order 60(2). I would request Your Honour to designate an order of the day for consideration of the ways and means motion.

Mr. Speaker: It is agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. Paproski: Mr. Speaker, I have a few questions on the order paper and I was wondering if the parliamentary secretary would be able to answer at least one or two a week. I am willing to be patient.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Tuesday, April 15, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mr. Laniel in the chair.

On clause 3—*Binding on Her Majesty.*

The Chairman: When the committee rose on Tuesday, April 15, 1975, clause 3 of the bill was under consideration. Shall clause 3 carry?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, in the debate on clause 2 last fall I made a rather lengthy and, hopefully, clear explanation of a concern I had about clause 3. I suggested at that time, because I was concerned, that I was prepared to move an amendment which would clarify the position. I gave copies of the amendment to the minister and members of the other parties in the House. Let me say briefly why I wish to move an amendment. Clause 3 of Bill C-32 reads:

● (1510)

This act is binding on Her Majesty in right of Canada and in right of any province.

To a layman, it seems remarkable that the legislative assembly which I am addressing can take unto itself the right of binding Her Majesty in right of Canada and in right of any province without producing some document which shows that the provinces have given it this right to bind them. When arguing last fall about the prerogatives of the Queen, I traced how power had passed from the monarchy to our people who live in the modern age. I pointed out that the power which in ancient times had resided in the Queen, in the monarchy, is now in the hands of the people and prerogatives of the Queen, or powers, which were passed on to a province were passed smoothly on to the people of that province. I am not speaking as a lawyer or constitutional expert. I know the subject of the royal prerogative is in the realm of discussion and I know there are no authorities which one can consult. I am simply expressing my concern.

I think parliament should make its legislation as unassailable as possible. Here, parliament seeks to pass legislation claiming to bind the people of a province without first having obtained the consent of the people of the province for that binding. In the debate last fall, the minister rejected my argument concerning the prerogatives of the Crown. He did not accept arguments dealing with consent which ought to be given to parliament before it enacts laws affecting the Queen's prerogatives. He did not accept my argument that if the people of a province are to be bound to do anything, parliament should first have from the people of the province and their government consent for that binding.

It was suggested that the recommendation of the Governor General is sufficient to indicate that we have power to deal with the Queen's prerogatives, that consent in this instance is not required, although it has been required when laws have been passed affecting the Queen's prerogatives. By the Queen's prerogatives, I mean the property of the people. I gave several examples to back up my argument. I alluded to the mineral rights on reservations in Canada. For years parliament assumed that we had full power in connection with Indian reservations because the land had been granted to the federal power. When the matter finally came before the courts about 20 years ago, the courts ruled that the federal power has power over the land but that the mineral rights belong to the owners of those mineral rights in the first instance, the people of the provinces.

[Mr. Speaker.]

We went through an embarrassing procedure in 1957-58 when a minister of the government of that day—a minister who had not been involved in past decision-making and advice given by law officers of the Crown in the preceding 20 years—had to stand in her place in the House and say, "We must do this the proper way. Consent has been granted." Then she had to prove, by document, that she had the consent of the provinces concerned for her statement.

The House ought to thank the hon. member for Esquimalt-Saanich for his research in this area. He has dug up some examples which suggest that parliament should not legislate in connection with the right of a province unless consent has been given to parliament. This sort of thing has only happened a few times previously: I am referring to bills being passed where consent had not been given. It was done with the Explosives Act of 1953-54. For obvious reasons, the federal government felt it had to act on the matter of explosives. The second example is the International River Improvements Act of 1955. Once again, one could claim that the federal power extends into that particular field. The third example is the Fisheries Act of 1970. Again, federal government jurisdiction has strong claims in that area. The fourth example is the Nuclear Liability Act of 1970. I understand that there is another act which could be used as an example.

To me, as a layman, it seems that this bill, which clearly seeks to deal with the property of the people of a province without their consent, is an aberration. It contains a clause which says that the act is binding on Her Majesty in right of Canada and in right of any province. The government has included this clause without showing evidence that any province has agreed to it. On the contrary, there is written evidence from ministers of the Crown and provincial premiers showing they do not consent.

My point is simple. If we are to pass a good bill we should word it in such a way that historians at least will know we are conscious of the dangerous ground on which we are treading, Therefore, I will read the proposed amendment. I think it will meet our objections and show the people of the provinces that we are aware of their rights with respect to resources.

The amendment reads:

That clause 3 of the bill on page 2 be amended by deleting line 9 and substituting therefor the following:

province; and, where the legislative authority of the Parliament of Canada does not extend to bind Her Majesty in right of a province, then to the extent that Her Majesty in right of a province consents thereto.

I should like to move that amendment, seconded by the hon. member for Regina East, for the consideration of the committee. I made it clear when I spoke last fall that, as a layman, I was treading carefully in the field of constitutional precedent and the delicate field of the prerogatives of the Queen and of the people. I shall therefore put on the record, in careful phrases, what I tried to say when I made my speech last fall.

This is a case where it is easier to distinguish the relative jurisdictions of the federal and provincial fields by looking at the respective Crown prerogatives rather than the respective federal and provincial legislative powers.

The provincial Crown, as a prerogative, has property title rights in provincial property, just as the federal Crown, as a prerogative, has property title rights in federal property. These rights can only be legislated upon by the appropriate legislature and then only with the consent of the federal or provincial Crown, as the case may be.

It may be difficult to determine when the federal government, by legislation, impinges upon the provincial legislative field; however, it is not so where the federal legislature impinges upon a provincial Crown prerogative. One need only look to see if there is a record showing that the provincial Crown has consented to this impingement upon the prerogative. If there is no consent, then the infringement is invalid. While it may be argued that the federal government, by legislation of parliament, can bind the provincial Crown in matters not involving the prerogatives that are within the legislative competence of parliament, there is no doubt that the federal government, through parliament, cannot bind a provincial Crown prerogative without the consent of the provincial Crown. Indeed, parliament cannot, by legislation, bind the federal Crown prerogative in a matter of property rights without the consent of the federal Crown.

● (1520)

Clause 3 purports to extend all the provisions of the bill to Her Majesty in right of a province. This may or may not be constitutionally correct with respect to certain of the provisions of the bill, but so many of the provisions which purport to affect the provincial Crown prerogative of property rights in gas and oil or any incidence of those property rights are invalid. Even those which affect the federal Crown prerogative in property are invalid without the Crown's consent, although this can be cured in the present instance by the Crown giving its consent before or during third reading.

This amendment to clause 3 serves to point out the dependency of the federal government upon provincial government consent, through the provincial Crown prerogative, to many of the bill's provisions. It is curative, also, and should be adopted by the government; otherwise, if the act is subsequently challenged on this point, it will be held totally or partially invalid. The amendment provides for obtaining the consent. Probably, the provincial Crown could not give its consent to federal legislation without legislative authority from the provincial legislature.

That, Mr. Chairman, in careful language is the explanation for having moved this amendment. Going back to layman's language, I simply say we can make this a better act that will not be challenged by anyone if we add this phrase that I have read to the committee, and I will read it again:

—where the legislative authority of the Parliament of Canada does not extend to bind Her Majesty in right of a province, then to the extent that Her Majesty in right of a province consents thereto.

In the particular situation in which we find ourselves, where we have before us a bill to put into legal effect the machinery to carry out the purpose of an agreement arrived at between the 11 heads of government last March 27, there should be in there a statement that there should be consent from the provinces. The provinces whose resources are affected in this instance are primarily four in number. Alberta and Saskatchewan, Manitoba to a lesser degree, and British Columbia, which wants gas prices up but not oil prices, have already indicated their position with regard to having their oil and gas prices controlled. It all boils down to the fact that if this clause were put in, before anything is done with this legislation we would expect some indication from these provinces which I think should come through a statutory provision or resolution passed in their legislatures. As a substitute for that, there could be an order in council of those four provinces saying that they consent to the terms of this agreement arrived at by the heads of the provinces and the federal government last March 27.

The best argument I can make as an individual, supported by at least the party of Her Majesty's Opposition, to try to get across the idea that we would like to see action taken in this very necessary field of price and supply allocation is that it be done within the framework and under the umbrella of the constitution which we have in Canada. There is no question about whether my amendment will achieve this purpose. The question we now have to decide is, will the members of the committee accept this proposal and make this good legislation?

The Chairman: I am sure hon. members took notice of the amendment of the hon. member for Qu'Appelle-Moose Mountain. Before I decide whether the amendment is in order and put it to the committee, I invite the opinions of hon. members as to its acceptability. I prefer at this time to reserve expressing my views on the amendment, although my first reaction is to put it to the committee. I do not want hon. members to feel that the Chair is not open to expressions of opinion as to the acceptability of the amendment, and if there are hon. members who have views they wish to express, they may do so. The Chair has to be very careful about commending the proposed amendment; there is the danger that it might be making a legal judgment or constitutional interpretation on the implication or application of this piece of legislation.

The hon. member for Qu'Appelle-Moose Mountain spoke of the consent of Her Majesty. This bill does not deal with property of Her Majesty in her own right which would be transferred with her consent. It is very difficult for the Chair to get involved in the intricate aspects of this kind of proposition. In any event, if there are any comments I invite hon. members to make them and I will then make an immediate decision.

Mr. Baldwin: Mr. Chairman, unless there is sustained argument on matters which are very complex in nature and issues which are difficult such as this—and Your Honour said he had an inclination to put the motion—it is usually sound to follow your first inclination.

The Chairman: Does the hon. member wish to speak on the procedural aspect of this amendment, or on clause 3?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, at this time I do not want to deal with either the acceptability or the substance of the amendment. If the minister is going to speak on this matter, I want to ask whether, for the edification of a non-member of the legal profession, he would begin by explaining clause 3 itself

because I must confess that I am at a loss in understanding it. The clause reads:

This act is binding on Her Majesty in right of Canada and in right of any province.

Whenever I am confronted with legal terminology, I find myself somewhat at sea. I therefore appeal to the minister, as a distinguished member of the bar—I said "of the bar", not "at the bar"—to explain exactly what it means. I find it difficult to understand just how an act of this parliament can be binding on Her Majesty in the right of a province. Maybe this is the type of terminology that is used from time to time, but I have not come across it. Before the minister gets into the ramifications of the amendment being proposed, either with respect to its acceptability or its substance, I think all of us would be able to make a much more intelligent judgment on the matter if he would begin by explaining clause 3.

● (1530)

Mr. Macdonald (Rosedale): As the committee knows, the bill provides for certain charges to be made under part I and also for certain compensation to be paid under part IV, and among the entities which will be subject to export charges under part I will be any agencies of the Crown in right of Canada, for example, Petro-Canada when it comes into existence or of the provinces which may be engaged in the export of commodities chargeable under the bill. The clause is similar to section 9 of the Excise Tax Act, Revised Statutes of Canada, 1970, chapter 12, and is necessitated first by the provisions of section 16 of the Interpretation Act which provides as follows:

No enactment is binding on Her Majesty or affects Her Majesty or Her Majesty's rights or prerogatives in any manner except only as they are therein mentioned or referred to.

It is, of course, Her Majesty in right of Canada who is being referred to in this situation, so the first part of clause 3 saying the act is binding on Her Majesty in right of Canada is in response to section 16 of the Interpretation Act which requires parliament specifically to state how the rights of Her Majesty are affected. I will go on to complete the circle with regard to Her Majesty's participation. As the committee knows, parliament is made up of three parts—this House, the other place and the assent of Her Majesty in parliament. In due course the Crown will be asked to assent to whatever enactment is produced by the two chambers.

When we go on to deal with the second part of the sentence, "and in right of any province", we are really getting to the amendment put forward by the hon. member for Qu'Appelle-Moose Mountain. The position, basically, is similar to that under section 9 of the Excise Tax Act: the Crown in right of Canada, acting within its jurisdiction, has full authority to bind the Crown in right of any province or any entity of the Crown in right of any province. This is a position which is well established in the jurisprudence. I think I am right in citing the Gold Seal case as an example—the imposition of federal Customs tariffs on provincial Crown corporations.

To put it the other way around; in other words, where the Government of Canada has jurisdiction under the British North America Act, a province cannot defeat the exercise of that jurisdiction by taking an activity out of private hands and putting it in the hands of a provincial Crown corporation. I feel this deals with the case of the royal prerogative. The legislative jurisdiction of the Parliament of Canada applies equally to a transaction whether it is in the hands of a private individual or a Crown entity in a province. I trust I have shown satisfactory reason and authority for extending this to the Crown in right of any province.

Dealing now with the terminology of the amendment itself, I would say the amendment is redundant in the sense that it makes no valid legal addition to the bill. It really purports to extend the jurisdiction of the Parliament of Canada. If it were found that the jurisdiction of the Parliament of Canada did not extend beyond a certain point, the amendment would purport, by the consent of Her Majesty in right of a province, to extend that jurisdiction. However, under our constitution it is not possible for the act of one parliament, of one level of jurisdiction, to extend the jurisdiction of another level.

It is possible to delegate a particular responsibility, as in the case of the Motor Vehicle Transport Act, or in such a manner as was sanctioned by the courts in connection with the Prince Edward Island potato marketing legislation; but the hon. member is not proposing a delegation of that kind. The amendment purports to say that if the Government of Canada does not possess jurisdiction, the province can allow jurisdiction by consent. It is well established that this cannot be done. The only way by which jurisdiction could be added to the federal government or taken from the province would be by way of an amendment to the British North America Act, carried out in this case by the parliament at Westminster. In this case I would argue that the amendment should not be agreed to: it is redundant; it attempts to do something which is not in the power of either this House or the provincial legislation to do.

Mr. Andre: I have a question for the minister concerning one aspect of clause 3 relating to the powers it would seek to exercise over Her Majesty in right of a province. Clause 89 in part V, at page 36 of the bill, gives the minister or his agent the right to enter any premises in which he has reason to believe there may be evidence of contravention of the act; it gives him, also, authority to seize records, to carry away such records, and so on. These rights being binding on Her Majesty in right of the province, it concerns me that under the terms of the clause the minister or his designate may enter the office of the premier of a province, seize his records and do all the things which clause 89 provides. The likelihood of this happening may be remote, but I think it would be extremely ill-advised for us in this assembly to pass any legislation which provided for such a possibility.

Mr. Macdonald (Rosedale): I think the hon. member is referring to clause 89 (1)(b). That is the authority to enter premises and seize documents, the kind of authority which is also found in taxation statutes such as the Excise Tax Act to which I have referred. It is true that since the law speaks in general terms, it would, of course, apply to any provincial entity which was covered by the provisions of the statute. I suppose the premier of a province could choose to carry on the buying and selling of petroleum products from his own office. However, in fact, in Alberta

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

that is not the case; it is the Alberta Marketing Corporation which does so.

It is really a matter of judgment that is involved here, rather than a legal limitation. I would take it that since the powers are well established, as I have said, a province cannot avoid the lawful exercise of the jurisdiction of the Government of Canada by setting up a Crown corporation and this provision would, of course, apply. I suppose that in the circumstances it would be done by consent. But the hon. member is right; in terms of the law, there would be the right to enter premises for the purposes mentioned.

The Chairman: Order. Perhaps I should return to the procedural aspect of the amendment put forward by the hon. member for Qu'Appelle-Moose Mountain and render a decision. I wish to thank hon. members who have expressed their views on the subject. Though they did not deal directly with the procedural question, they did put the matter into perspective. Apart from the hon. member for Qu'Appelle-Moose Mountain, the minister was the only member who commented on the amendment from a procedural point of view. He said that the amendment was, in his view, redundant—not that it was unacceptable on procedural grounds.

The minister also said the amendment did not appear to add anything to clause 3. His conclusion was that the amendment should not be carried—not that it should not be accepted. Legislation is binding or not binding. It is not for the Chair, looking at an amendment and deciding whether or not it is acceptable, to consider whether the legislation is binding; that is a matter for the courts. In due time the courts have to decide the implications of attaching an amendment in the terms proposed to such an act.

● (1540)

I am ready at this time to put the amendment to the committee.

Mr. Andre: Mr. Chairman, I want to put a further question to the minister.

The Chairman: Putting the amendment will not prevent the hon. member from pursuing his question. It is moved by the hon. member for Qu'Appelle-Moose Mountain:

> That clause 3 of the bill on page 2 be amended by deleting line 9 and substituting therefor the following:
>
> Province; and, where the legislative authority of the parliament of Canada does not extend to bind Her Majesty in right of a province, then to the extent that Her Majesty in right of a province consents thereto.

Mr. Andre: Mr. Chairman, following my earlier question, as I had previously perceived the minister's position, this clause gives the minister or his designate the right to examine the books of a Crown corporation. However, I was not alluding to that; I was asking the minister whether it is true that clause 3, as it relates to clause 89, gives the minister the right to examine the records of the premier of a province and/or one of his ministers? Does the clause authorize the minister or his designate to enter any premises where there is reason to believe there might be certain evidence? It is conceivable, for example, that a provincial premier or minister could have in his office records associated with a Crown corporation, if that were the vehicle through which the province pursued its activities in a certain area.

It has also been rumoured that one province, anyway, is contemplating, not the vehicle of a Crown corporation but, rather, a direct operation so that operations in the oil and gas industry would be administered directly by a government department, which means by a minister of a Crown, a minister of Her Majesty in right of the province. I am asking the minister whether it is true that this clause would give him or his designate the right to walk into the office of a provincial premier or one of his ministers and examine and seize any records he deems necessary to enforce this provision.

Mr. Macdonald (Rosedale): Mr. Chairman, may I suggest that, since the hon. member has expressed specific interest in clause 89(1)(b), it would seem to me that an appropriate time to discuss various powers of entry, and so on, would be when we get to clause 89, rather than under the general provisions of this amendment dealing with the distribution of legislative jurisdiction. In other words, the consequences of the distribution of legislative jurisdiction are dealt with systematically clause by clause. I wonder whether it is not more appropriate to deal with each of these events when we get to that clause, rather than to argue them all on clause 3.

Mr. Andre: Mr. Chairman, with all respect to the minister, clause 3 is the relevant clause. A particular power is being sought in clause 89 and the clause may well be appropriate for corporations that come under the provisions of this bill. But I question whether the powers would be appropriate as applied to Her Majesty in right of a province. The interpretation that I perceive from clause 3 is that the minister would in fact have that authority. We are nearing the point of voting on clause 3, so I think it is highly appropriate at this point in time to get an interpretation from the minister, if he is willing to give one. I am reaching the conclusion that I am right and that this provision would grant the minister power to walk into such premises.

Mr. Macdonald (Rosedale): I have just said that, Mr. Chairman. May I point out to the hon. member that I have just answered the exact question he is posing.

[*Translation*]

Mr. Laprise: Mr. Chairman, I would like to ask the Minister of Energy, Mines and Resources (Mr. Macdonald) some information respecting clause 3 of the bill. It should be understood that through that clause the federal government is granted unusual powers such as are not to be found in many acts. The minister admitted earlier, I think, that such a clause can be found in bills due to special circumstances only. Can the minister tell us whether before this provision was made in Bill C-32, he sought the opinion of the authorities in every province to know what their positions were in that respect and request their consent to that provision of Bill C-32?

Mr. Macdonald (Rosedale): Mr. Chairman, the answer is no, because we are abiding by the precedent of the excise acts. The federal government is granted the very

same powers under section 9. In fact, to impose a charge on the export of crude oil from Canada, that power to tax provincial governments or any provincial government corporation is requested if the province has chosen to extend authority to a corporation or the private sector. Therefore, in order to levy charges on crude oil, to subsidize Quebec and other provinces, such powers are required, whether through the private sector or a provincial corporation. In that sense, it is exactly the same type of policy as the excise law policy.

[*English*]

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I want to thank you for your ruling; I think it was the correct ruling. My words now are in reply to the minister's remarks. I appreciate the difficulty of trying to put this point clearly. So far as the prerogatives of the Crown are concerned, I have left that question out of the amendment. It is an exotic field that I do not think we are expert enough here to explore. I am satisfied that I put my argument clearly enough in my speech last fall and again in the more careful statement I made today.

What this amendment is concerned about is the question of legislative authority. There is no question in my mind that this bill will give legislative authority to the federal government to impose an export tax. I also accept completely that the federal government has the power to impose an export tax.

Another part of the bill deals with price setting, and price setting is a power exercised only by the provincial governments. Related to this power to set prices is the value of the property concerned, and the property is clearly established under the constitution as being the property of the people in the province. In other words, we are moving in the legislative field into an area where it is very difficult to be absolutely sure the federal government has complete legislative authority.

The argument made by the federal government is that through its powers connected with interprovincial trade or trade outside the borders of Canada, it is given this legislative authority and, as I say, I accept that. But there is also an equally powerful law that provides that the property that is moving is property belonging to the people of the province concerned. So we are in a somewhat cloudy area here, and if the matter is brought before the courts I should like the justices of the courts to know that we in parliament were conscious of the difficulty and that we inserted into the act a clearly stated provision.

● (1550)

This clause arbitrarily states that this act is binding on Her Majesty in right of Canada and in right of any province. I am just adding these careful, extra words, that where the legislative authority of the Parliament of Canada does not extend to bind Her Majesty in right of a province, and only in that case, then to the extent that Her Majesty in right of the province consents thereto, it will be binding. So there would be nothing to stop the government, if it accepted my amendment, doing what it wants to do if it is convinced, on the advice of its law officers, that it is within its legislative authority to do so.

[Mr. Macdonald (Rosedale).]

If this matter is challenged in the courts and the courts rule that this part of the legislative action of the federal government is legitimate and should go forward, that is fine. If the courts should rule that another part of the legislative action is not legitimate, then we have covered our responsibilities as legislators by saying that if the courts rule that it is not legitimate, then we have this procedure to follow: the government gets the consent of the province if the courts rule it is a matter within provincial jurisdiction.

I think this amendment adds to the clarity of clause 3 and does not take anything away from the power the minister wants under this legislation or which he had before the legislation. I do not think I have to say anything more about it, as the argument has been made very clearly. We should vote on the matter now, but I want the record to show that we are simply trying to improve the legislation so we do not look silly if the courts turn down any of the federal government's actions under this legislation.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, as I understand clause 3 from the minister's explanation, it simply states that the legislation we are now in the process of considering, when passed shall apply to any agency of Her Majesty either in right of the Government of Canada or in right of a provincial government. Whenever I am faced with legal jargon, I always have to get it down into nickel and dime words. I take it that if the national petroleum company which is to receive some 15 per cent of the oil from Syncrude is set up and is in operation, it will be subject to the same laws and same inspections as any other company in Canada handling oil. I take it that SaskOil of the province of Saskatchewan, which is drilling for and marketing oil, will also be in the same class as any private company and subject to the restrictions and controls laid down in this legislation. It seems to me, of course, that this has to be the case, otherwise it would be possible to subvert the intention of this legislation.

My difficulty about the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain is that it suggests that where the legislative authority in this bill does not extend to bind Her Majesty in right of a province, the province must consent. But who is to determine when and to what extent the legislative authority in this legislation does not extend to the binding of Her Majesty in right of a province? Is the federal government going to make that determination? If the federal government makes that determination, and its decision is contrary to the opinion of the province, then of course the province will have to go to court.

The province will have to go to court, anyway, if under this legislation it feels that the federal government is using the authority given under the legislation in a manner that abridges its rights as set out in section 92 of the British North America Act. Therefore, I do not see what value the amendment adds to this particular clause. If there is an invasion of provincial rights, surely in the final analysis it will have to be settled in court. It is not going to be settled by allowing the federal government to determine whether in its opinion it has abridged the rights of a provincial government. To leave to the federal govern-

ment the right to determine whether it should seek the consent of the province, or whether it is not necessary to seek that consent, is not satisfactory because this is a matter that can only be decided in the courts.

I think the amendment is superfluous, but I can understand the good intentions of the hon. member for Qu'Appelle-Moose Mountain. I really cannot, for the life of me, see how the amendment would add to the effectiveness of the clause. I think the clause itself states clearly that the purport of this legislation will apply to Her Majesty in right of both Canada and the provinces, and that any agency set up by the Government of Canada or by any province which deals in petroleum products or natural gas moving across provincial or international boundaries shall be subject to the provisions of this act.

If there is an invasion of provincial rights, it can only be settled by referring the matter to the courts, and this situation is not going to be assisted, as far as I can see, by any provision that we put in this bill which states that the federal government must seek the consent of the province, because the federal government itself is to be the one to determine when it will seek the consent of the province. It is not likely to seek the consent of the province as long as it is convinced it is acting within the full ambit of the rights it enjoys under section 91 of the British North America Act.

Mr. Macdonald (Rosedale): Mr. Chairman, the explanation by the hon. member for Nanaimo-Cowichan-The Islands with regard to Petro-Can and SaskOil outlines exactly the situation. As is habitually the case, explanations given of difficult points of law by non-lawyers are infinitely more comprehensible than those given by lawyers. The situation as outlined by the hon. member is exactly what this clause has in mind.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I have a small point in reply to the hon. member for Nanaimo-Cowichan-The Islands. He and I share the same bed today in that we know very little about legal jargon. The reason for my concern relates purely to Saskatchewan and Canadian politics. If we read the precise terms of the Alberta Natural Resources Act and the Saskatchewan Natural Resources Act, we see that the words I am using are used in those statutes. Those acts admitted that the federal government has for many years done certain things wrong. The federal government said in the act that it will in future consider the rights of the provinces. It goes on to state in the Saskatchewan Natural Resources Act of 1930-31 that changes can only be accomplished with the consent of the province of Saskatchewan in the form of a legislative resolution.

I maintain that the bill we are discussing affects the rights of the people of the province of Saskatchewan, and clearly under the Saskatchewan Natural Resources Act and the British North America Act, changes in the statute of 1930-31 can only be made with the consent of the legislature of the province of Saskatchewan. Here we are taking away the substance of that agreement of 1930-31 by making in this clause 3 the flat assertion that this Parliament says this is binding on the federal government and the provincial government. As a layman I am simply saying that I accept the position the hon. member for Nanaimo-Cowichan-The Islands is taking that really with all these possibilities it does not matter if this clause is there if the courts will deal with the situation in any case. I simply say that I know the people of Saskatchewan, Alberta, British Columbia and Manitoba believe that this legislation will be challenged. That means that the Parts that are challenged will be thrown out by the courts. I feel sure of that. When they are thrown out there is a course of action laid down in our legislation which they can follow. They simply need consent. The consent arranged for in 1930-31 was a result of action by the legislatures of the two provinces, Alberta and Saskatchewan. I would qualify that in modern days by saying simply that it should be by Order in Council to make the decision-making more rapid. I think not only is my amendment well meaning but that if the history of the next few years were known it will be face-saving for those of us to like to believe we are doing the best job we can and are being good legislators.

● (1600)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, perhaps I might be permitted to comment for a moment on the remarks of the hon. member for Qu'Appelle-Moose Mountain. I cannot agree that this legislation is on all fours with the Saskatchewan resource legislation to which he referred, nor can I agree that the measure before us will interfere with the rights of the people of Saskatchewan with regard to the management of their resources.

In the case of the Saskatchewan resource legislation, we are dealing with the management of resources which was given to the province under the legislation of 1931. With reference to the development and exploitation of those resources, this legislation in no way interferes with that right. What this legislation does is to deal with price, and I cannot agree with the hon. member when he says the federal government has no right to interfere in respect of price. It has no right to interfere in respect of the price of a commodity sold within the province in which it is produced, but surely when a commodity crosses provincial boundaries or goes into export trade the federal government clearly has responsibility to deal with the matter of price.

There may be parts of this legislation with which we will disagree later, but in so far as the clause now under consideration is concerned, what we are saying is that a provincial agency comes under the same strictures and the same guidelines as any private corporation which is handling a commodity when it goes into interprovincial trade. In a number of places it is made clear that the provisions of the legislation do not apply to petroleum products sold within the province. Therefore, there can be no invasion of provincial rights when it comes to the matter of development of resources or the sale of them within the province. This legislation exercises that power when the product moves into interprovincial and international trade. It seeme to me there can be no argument about the jurisdiction of the federal parliament to legislate in that matter.

Mr. Baldwin: Mr. Chairman, I must say, from my many years of experience in the practice of law, that when one has two persons who maintain they are laymen and express their apprehension about the legal language used,

I think it is time for a lawyer to be careful. I am convinced that the two distinguished laymen in this House, the hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Qu'Appelle-Moose Mountain, each of whom have held high positions under the Crown, probably know a great deal more about law than many lawyers. However, I shall exercise my great deal of experience in the law in an effort to come between them and make a settlement, without benefit of a fee.

Mr. Foster: Confuse them both.

Mr. Baldwin: I would present a proposition to the minister for consideration. He stated the law correctly, that in respect of an arrangement between governments, one government cannot delegate to another. One government, however, can in fact delegate, through the proper procedure and with adequate consent, to an entity of another government the right to exercise authority in a field which initially may be squarely within the right or jurisdiction of the first government in question. It is quite obvious that by this legislation a great deal of authority is given, for example, to the National Energy Board. It is my judgment that the National Energy Board, created under the act, is an entity of the federal government? Would the minister agree with that proposition?

Mr. Macdonald (Rosedale): Yes.

Mr. Baldwin: The minister agrees. The National Energy Board is given very considerable power in respect of granting licences and the functions permitted under those licences. While the hon. member for Nanaimo-Cowichan-The Islands may be right under certain circumstances, I come back to the argument of my hon. friend from Qu'Appelle-Moose Mountain, that if an arrangement is made by way of agreement—I believe under clause 22 an agreement need not be expressed in writing—it may well be to the benefit of the federal government to have a clause such as that suggested in the amendment of my hon. friend which would provide the statutory authority, so that the provincial authority could then, by the consent so given, give to the National Energy Board the authority which the licensing provisions required it to exercise.

I understand the other situation, and it might well be that the courts would decide on certain issues. We will argue that question later: we have a very good beginning. I point out to the minister and to the hon. member for Nanaimo-Cowichan-The Islands that the authority granted the National Energy Board would in some conditions involve the need for a provincial authority to express, by apt words, its approval of that authority. I put forward that proposition. Certainly, in that limited sense it may be that this amendment is required.

Mr. Macdonald (Rosedale): Mr. Chairman, in dealing with that point, I suppose it goes back to the question concerning whether or not any addition is necessary to give the federal government the power to carry out the requirements of the statute. Whatever the merits of the proposition of the hon. gentleman, I suppose it is probably a moot question because we think we have all the powers within our own jurisdiction in dealing with interprovincial trade in this regard. So the question of delegation, for example, of the provincial jurisdiction to the National Energy Board in our opinion does not arise. Here the federal government is exercising its jurisdiction under section 91.

• (1610)

Mr. Baldwin: You might live to regret those words.

Mr. Horner: Mr. Chairman, I would like to say a word or two on this clause because it deals, in essence, with the whole bill and allows for perhaps a wider range of discussion than that which has taken place between the hon. member for Qu'Appelle-Moose Mountain and others this afternoon. I am not going to get into the legal interpretation because, as I understood the remarks of the Chair, the clause is hardly needed at all. In fact, the latter remarks of the minister suggest that.

There has been a great deal of discussion about the Department of Transport. The Minister of Transport from time to time has stated that transportation and transportation policy is in a mess. In looking at the question of Canada's role vis-à-vis that of the provinces in regard to energy, if there is a mess in the transportation department there is a double mess in the energy department. The squabble that has been going on between the various levels of government occurred perhaps because over-zealous provincial governments are demanding more and more of the tax dollar. Certainly an over-zealous federal government is invading provincial jurisdiction, for one reason or another.

We had recently an energy conference. Many Canadians viewed it on television with a great deal of interest. I suppose some people in the Liberal Party in the province of Alberta would think that we recently had an Alberta election—

Mr. Baldwin: Are there any Liberals left in Alberta?

Mr. Horner: —based on the energy question. That is, indeed, if there are any Liberals left in Alberta. Who is wrong and who is right? Basically, after the energy conference the conclusion I reached was that it was a draw or a postponement of the real issues.

The purpose of this bill, in essence, is to set a uniform price, a stable price, to reach some kind of balanced price between consumer and producer. I suppose it is to allow the federal government to assert its authority over the petroleum industry and over the provinces. I think Canadians generally are fed up with the bickering which has taken place between the province of Alberta and Ottawa, and with the mess and the stalemate the politicians have created. Who is wrong? When will there be a righting of the wrong? After the energy conference, the Premier of Alberta went home to Edmonton and stated publicly that any increase in the price per barrel of oil would certainly have to wait until after the budget of the Minister of Finance. The Minister of Finance immediately stated that he would not be bringing down a budget until the price of energy was known.

There, again, we witnessed two politicians vying for the same stage but questioning each other as to the right time to take that stage. All the while, Canada suffers. There has been a tremendous change in the position of the federal government in the last year over that which it took some

two years ago when it first intervened in the energy question. In watching that energy conference, it seems that even the Prime Minister—when he is in Canada—realizes that Canadians will be running out of oil in the near future and that it is not the question of price which should be concerning governments but the question of supply. If it is a question of supply, then the Premier of Alberta is certainly correct in saying that he wants to know what the federal Minister of Finance is going to do with regard to the question of double taxation.

It might be said that the resource industries for years have been pampered with regard to taxation and encouraged to develop and find resources, but certainly in the last year or two governments have made up for many slack years in taxing resource industries. Now it is quite clear that an increase in the price of oil would mean the federal government would receive the whole of the increase. If one considers the royalty question and the no write-off aspect for the oil companies, they have to pay, in essence, double taxation. Royalties vary. On the last price increase the province of Alberta took 65 per cent. The province of Saskatchewan took it all. It is no longer allowed as an expense.

To me, the principle upon which the federal government deliberately intervened was the reason the last energy conference broke down completely. We see that Ottawa is anxious to have a price increase, knowing that if the price increased $2 a barrel it would in the long run add the $2 to the federal treasury. Yet in putting the price up by $2 a barrel we see another situation developing whereby our exports of oil to the United States will be reduced. Then there will be less money with which to pay the subsidy to communities receiving a subsidy of $5.20, approximately, on all oil used east of the Ottawa Valley.

The federal government was prudent. If the situation is analysed, it took the only course it could. It had to advocate a higher price. A higher price results in less subsidy out of the federal treasury to all communities east of the Ottawa Valley. A higher price results in more money for the federal coffers, but not necessarily more profit for the provincial governments.

During the energy conference we were told repeatedly by the Prime Minister that the whole purpose of the higher price was to create more money for exploration. I suppose it could be said that with more money in the federal coffers—and by taking the socialist route—Ottawa could then promote Petro-Canada and become involved in exploration in earnest. The Premier of Saskatchewan advocated nearly the same thing, except that he would use the extra $2 or so per barrel to build up a fund earmarked specifically for exploration—again by the socialist route. We can only hope that the increase of $2 per barrel which has been advocated by some people, which would go 100 per cent to the federal government, will be used for the most part for further exploration in Canada. Rather than the Minister of Finance travelling abroad to try to settle some of the world's economic problems, he should be travelling to the producing provinces: he should be in Saskatchewan and Alberta attempting to iron out the squabble between the producing provinces and Ottawa, because it has continued long enough.

Canada will suffer because it will run out of oil: the last report of the National Energy Board makes that abundantly clear, because it says we will be net importers of oil by 1982. I think Imperial Oil stated some time ago that it estimates we will reach this position by 1983. But let us look at our rate of consumption, our rate of production and our rate of finding more reserves in Canada. Even in the last six months the falling off in discovering reserves has in fact exceeded all estimates. The National Energy Board and the oil companies estimate that our consumption has not been reduced by any appreciable amount, no matter how well the Minister of Energy, Mines and Resources appears on television and shows Canada 100 ways to conserve energy by switching the light off a little earlier, and so on. There is a negligible amount of energy saving as a result of the advertising program. The minister has spent a lot of the taxpayers' money with some advertising firms, but I do not think he really believes he has convinced anybody to save energy.

● (1620)

What is the solution to the squabble over the energy question? I think Canada should get on with exploration. We are not fortunate enough to have the type of land formations that are abundant in oil reserves; in other words, Canada is not the best place in the world to be searching for oil. Of course, we realize now that oil will be a very expensive commodity for many years to come. We can talk about the break-up of the OPEC nations, but I think they have realized the power they hold and will maintain it.

In the past, the fedral government had the right to tax a commodity after it was developed. When we saw the OPEC nations increase the price of oil, we realized that the oil companies were going to make huge profits, so both the federal and the provincial governments jumped in to grab that profit. We must realize now that the principle of the royalty question, the tax on doing business within a province, should be allowed as an expense. That is, an initial charge in the development of a resource and traditionally it has been allowed to the provinces. The federal government's position has been to impose an end tax.

If the federal government felt the resource companies would make too much profit, there were two steps available to them. If they were concerned about the profits leaving Canada and being used to find oil in the North Sea, in Indonesia or elsewhere, they could have brought in a measure prohibiting the money leaving Canada; and if the money remained in Canada and was not reinvested in exploration, the companies could have been taxed on it. So far, the governments concerned have not found any solution to the squabble and the country continues to suffer.

In a speech made some months ago in Toronto, the minister said that between now and the year 2000, $100 billion would be poured into the exploration of oil and other energy resources. He must realize, of course, that he will have to go to the resource industries in order to find people with the knowledge and skill required for exploration, whether they be Canadians or non-Canadians.

How do we go about setting a uniform, stable price which will balance consumer satisfaction with producer satisfaction? I think we need a formula, Mr. Chairman. We

are not fortunate enough to have bountiful reserves of oil and energy, and we need all we have. We want to be as self-sufficient as possible, yet we want some of the benefits of having the resource. A formula should be established so that the other resource countries would know where they stand. The minister could say that in 1975 it will be 70 per cent of the world price, and by 1980 it could be increased 10 per cent or 20 per cent, for instance.

As a Canadian taxpayer, I should be able to buy oil cheaper from Canada than from the Arab countries. It is reasonable to expect to pay less than the world price for Canadian oil, but that price should not be determined periodically by a federal-provincial conference. That creates instability in the industry and thus instability of supply and, of course, there is no stable price without an assured supply. Setting the formula at 70 per cent or 80 per cent and letting everybody concerned know what the changes would be in the years ahead would reassure the oil industry and encourage them, whether Canadian or multinational, to explore for oil in Canada.

We read in the newspapers that the oil companies are making huge profits, but really most of those profits are not made in Canada at all. If an oil company has made a profit in Canada, it is because they have cut down on exploration; they are not spending the money and therefore the profits are high. The federal government, through taxation, should prohibit the flight of those profits into Indonesia or the North Sea of even the United States. It should consult the petroleum industry in order to bring about a stable, uniform price; but one cannot do this without a stable supply.

We should be ironing out the difficulties between the federal government and the producing provinces. In the long run, of course, we hope there will be ten producing provinces, not just two. The minister talked about needing $100 billion before the year 2000 for exploration and development. This money should be encouraged to stay at home, Mr. Chairman. Through taxation, the government could give a 150 per cent depreciation allowance for exploration carried out this year in any part of Canada: that would encourage the companies to spend some of their profits in this country. Write-offs should not be allowed to Canadian companies operating outside Canada. Certain measures should be taken along these lines to bring the producing provinces together with the federal government in order to create a stable, uniform price and a balance between consumers and producers.

● (1630)

I do not know which will come first, the budget or Alberta's demands for higher oil prices. In the long run, it will be best for Canada if the Minister of Finance comes forward with his budget and sets out criteria as to how royalties will qualify as an expense. The onus would be on the provinces to make sure that royalty charges adhere to criteria laid down by the Minister of Finance.

The Chairman: Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Schumacher: Mr. Chairman, I wish to speak briefly to the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain. As the hon. member for Crowfoot said, Your Honour's argument concerning the amendment could apply equally well to the clause itself. What the Minister of Energy, Mines and Resources and others participating in the debate on the procedural admissibility of the amendment said boiled down to this: the courts will need to decide what is under provincial jurisdiction and what is not. That being so—I hope the minister will reply when I have finished speaking—why include clause 3 in the bill?

When parliament passes a bill, it is binding on the federal Crown, but the federal Crown cannot arrogate unto itself the prerogatives and rights of any provincial Crown. I cannot understand why it is felt necessary to include clause 3 in the bill. I do not think the minister answered the objections of the hon. member for Qu'Appelle-Moose Mountain to clause 3. The hon. member interpreted clause 3 as an attempt by the government to intrude on the valid jurisdiction of the provinces. I suggest that by including clauses 3 and 36 the federal government is attempting to arrogate unto itself power it does not possess under the constitution for regulating the price of commodities the ownership of which falls completely within provincial jurisdiction.

Clause 36 purports to give the federal government power to set the price of various kinds and qualities of crude oil at the wellhead within a province. I understand the act of 1930 transferred the ownership of these resources from the federal government to the provinces. How can the federal government say that its claim to power to set the wellhead price of oil is constitutionally valid? It claims it is given that power by the British North America Act which gives the federal government jurisdiction over interprovincial trade and commerce.

If that is the government's position, it should say it has the right to set the price of any product which leaves one province and crosses the border of another. Surely, any bill which attempts to set the price of a product within a province is beyond the constitutional competence of this government. After all, much of the oil and gas taken out of the ground in Alberta will be refined and consumed in Alberta. I hope the minister will comment on that point. In what way does he feel the constitution of this country gives the federal government power to regulate the price of oil which is produced, refined and consumed within a province? I suggest that this is not a case which comes under the heading of interprovincial trade and commerce.

Mr. Macdonald (Rosedale): Mr. Chairman, to answer the hon. member's first point, we are not purporting to set the price at the wellhead but, rather, the price at the point where the oil or natural gas moves into another province or into export trade. That is clearly within the jurisdiction of the Government of Canada. To answer his second question, the bill expressly excludes oil being consumed within a producing province.

Mr. Ritchie: Mr. Chairman, I ask the minister to clear up some confusion. We have been using the term "wellhead price". I suppose that is wrong; we should be speaking about price at the provincial border. If we use that terminology the provisions of the bill may become clearer.

I suggest that the proposed amendment of the hon. member for Qu'Appelle-Moose Mountain is good. On the

other hand, I wonder what point there is in including clause 3 in the bill. That clause seeks to give the government of Canada power to interfere with matters coming under provincial jurisdiction. The minister himself suggested that this is not the intention, that the government is acting within its powers, and he mentioned law cases supporting his position. I say that the government could do what it wanted without needing to insert clause 3. I do not see the rationale for including that clause in the bill.

Mr. Baldwin: Mr. Chairman, I have described our opposition to the bill as opposition in a constitutional sense to certain parts. I have said that over and over again. At times I think I see a glimmer of light on the other side, but then it disappears. That makes me bitterly disappointed. Some have compared the minister with General Giap and see him as thundering out of Ottawa with his socialist hordes, to envelop and encircle the natural resources of the provinces.

Mr. Munro (Esquimalt-Saanich): This bill could be this country's Dien Bien Phu.

Mr. Baldwin: My colleague from Esquimalt-Saanich says this bill might become the Dien Bien Phu of this country. I want to point out that if this amendment is defeated and the clause is accepted—and I will vote against it—a situation will develop where a province or its agencies can be subjected to penalties, searches and the seizure of documents in respect of a transaction taking place entirely within a province covering natural resources which belong to the people of that province. If that is going to be done without the consent of the people of the province, expressed through their government in the form indicated by the hon. member for Qu'Appelle-Moose Mountain, it will be a situation causing great concern.

● (1640)

I want to comment on the point made by the minister in response to the situation proposed by the hon. member for Palliser. The minister should know this: his officials know it. Petroleum products and gas coming from the wellhead are not dedicated in any particular form for use within the province. In the provinces of Alberta and Saskatchewan, and British Columbia with respect to gas, the product that emerges at the wellhead will to a limited extent be used within the province. In Saskatchewan, it is to the extent of 2 per cent. I understand the total refinery capacity in Alberta is about 300,000 barrels a day, which could mean about 15 per cent refined capacity, and that may be used partly in Alberta and partly in Saskatchewan.

The minister has not been, nor do I think he can be, successful under this bill. This clause is symbolic of the situation of demonstrating that by this measure, the government is now taking control at the wellhead of the full production, which is a transaction taking place entirely within the geographical limits of a province. The minister knows that if this bill passes in its present form, it will be competent for the government, and to a limited extent the National Energy Board through its licensing capacity, to move into the wellhead and say at that point, "The price that must be sought and paid is our prescribed price." That will be the effect of this legislation unless it is changed, and it is a proposition which I am not prepared to accept.

Mr. Macdonald (Rosedale): Madam Chairman, with regard to the hon. member's reference to oil at the wellhead, and so on, I draw his attention to clause 20. The application is to crude oil that enters into interprovincial or international trade or that is mixed or blended with such crude oil.

Mr. Baldwin: That is the point.

Mr. Munro (Esquimalt-Saanich): Madam Chairman, my intervention at this stage in connection with clause 3 of the bill under consideration is related to the search I carried out on the previous occasion when I put on the record a number of instances of this sort of legislation in Canadian law. That is on the record of the previous debate on this matter when I think we were in committee of the whole.

In the course of our work in the committee on the environment we had before us Bill C-25. In going through Bill C-25 I came across a further instance of this sort of wording that causes us to react and which caused the particular amendment before us to be formulated and presented to this committee. I think it is worth mentioning that in clause 2(2) of Bill C-25 the following wording is found:

> This act is binding on Her Majesty in right of Canada or a province and any agent thereof.

We are in the same general field of the overriding nature of federal legislation. True, Madam Chairman, this chamber is not a court of law; we do not decide on the legalities of legislation. However, we must draw attention to matters in draft legislation that could conceivably run parliament into trouble. We know that the books of precedents of our courts are now pretty well filled. To encourage litigation, particularly in this sensitive field of federal-provincial relations, is something we should not do. We should not deliberately foster this sort of litigation.

My reaction at this time is to ask whether, in the absence of any other way of making their power felt, this government has a clause like this stashed away in the office of the drafters of legislation. If they feel the need to use it, they paste it into the draft legislation they are going to present to this House.

If my information is correct, we have already had three bites at this sort of legislation. Bill C-32 is the fourth and Bill C-25 is the fifth. In the committee studying Bill C-25 I asked for some jurisprudence on this particular clause so that we in the committee might know—and I think it would be relevant for this committee to know—on what constitutional ground the government feels it is entitled to produce this bald, overriding wording in legislation in a country which is a federal state and which has very clearly defined areas of jurisdiction.

Where there is no conflict of jurisdiction, of course, this is not needed; the writ of federal law runs freely across the country. One can see this in some interprovincial relations. On interprovincial waterways, for example, if there is the introduction of a pollutant upstream and this causes damage downstream, we see the need for something of this sort. However, I am not going to let that particular

clause of Bill C-25 go by without a similar amendment to that being proposed to Bill C-32.

I merely intervene at this stage to suggest that there seems to be a deliberate—well, perhaps I am imputing motives and it is just a matter of sloppy or unthinking drafting on the part of those who are preparing legislation. It might even be that the arrogance that comes from power permits governments, after a number of years in office, to feel they are entitled to bring forward this sort of legislation and hope it will slip through without anyone noticing. I think it is our duty to draw attention in the record of *Hansard* to this very dangerous element, this phraseology in our federal law which could impinge upon provincial jurisdiction.

● (1650)

Mr. Horner: Mr. Chairman, I was speaking a few minutes ago but I had not completed my remarks when my time expired. However, in committee, as hon. members know, one can speak again after a brief period.

I was about to say it was not good enough to allow the oil companies a million dollar tax concession in lieu of royalty payments. The sum of $1 million has no relation to what a company may be paying out in royalties or may be prepared to spend on exploration.

The dispute between the provinces and the central government over jurisdiction now hinges on the need for more vigorous exploration and the improvement of supply. When we consider the question of jurisdiction in this country as between the federal government and provincial governments, we can make some interesting comparisons with the situation in the United States; the way in which authority is apportioned as between the central government and the individual states in that country. The powers of individual states are clearly defined and this results in a far greater degree of stability within the industry. In the United States one does not find the kind of squabbling that goes on in Canada between the producing provinces on one hand and the consuming provinces on the other.

Clause 24 of the bill deals with the manner in which prices shall be applied. To my mind it comes down to a question of the various formulae which have been used by the provinces and by the federal government down the years with respect to taxation. The tax a province levies has always been considered to be eligible for deduction when computing the federal tax. Only in the field of energy has the federal government departed from this practice, and that is the root of our problem today. That is why the federal-provincial conference, part of which we all saw on television, ended the other day without any conclusion being reached.

An hon. Member: Bill Davis.

Mr. Horner: Bill Davis came out of that conference looking the best of all the premiers.

An hon. Member: That is not what Walter Baker said.

Mr. Baker (Grenville-Carleton): Oh, yes he did. He looked a lot better than the minister did, too.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Horner: The Premier of Alberta felt that more money should be going into exploration, but he got no guarantees whatever from the federal government that if the price were raised, more money would go into exploration. He realized that the total increase in the price would go into the coffers of the federal government by reason of its taxation policy. Alberta is a province which realizes its reserves are shrinking and wishes to enlarge those reserves.

I would agree that the easy-to-find oil has, perhaps, already been found. I would not say, though, that it has all been found. We believe more exploration should be carried out and that more money should be allowed to go into exploration. The Premier of Alberta said that if there were any increase in price, royalties would be reduced from the 65 per cent level, but he realized that as a result of the present taxation system any increase in price would only bring about an increase in revenue to the federal treasury.

The federal government is not in the business of exploration. Exploration for natural resources comes under the jurisdiction of the provinces, as the minister has admitted. The producing provinces do not believe the federal government has the know-how to develop greater supplies of oil. I should like to believe that every Canadian realizes we shall run out of oil by 1982. The longer we postpone the price increase, the longer we shall be at the mercy of the OPEC nations down the road somewhere. It is easy to assume, when one considers the minister's statement that $100 billion will be needed by the year 2000—

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member, but in order that the House may proceed to the consideration of private members' business it is my duty to leave the chair.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber St. George's Ste. Barbe (Mr. Marshall)—Transport—Need for icebreakers in Northwestern Atlantic—Government position; the hon. member for Rocky Mountain (Mr. Clark)—Canadian Broadcasting Corporation—Suggestion standing committee question Mr. Johnson prior to confirmation as Vice-President.

[*English*]

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

There being no item under the heading of private bills on the order paper, the House will now proceed to notices of motions (papers).

Mr. Lefevbre: On a point of order, I believe there is agreement that we continue the debate on notice of motion for papers No. 22 in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall) with respect to which there are 44 minutes left. I understand there is some feeling that this debate could be shortened and that a vote could take place. We might also go on with notice of motion for papers No. 21 standing in the name of the hon. member for Fundy-Royal (Mr. Fairweather) with respect to which there are 11 minutes left. Perhaps we could vote on that motion also before 6 p.m.

● (1700)

Mr. Forrestall: Madam Speaker, on the point of order that is being raised, I think there is general agreement and that there is a disposition not to have a recorded vote on the order standing in my name. This will depend upon what the parliamentary secretary will say to me within the next few minutes, but I think we can accommodate him on the point raised.

Mr. Knowles (Winnipeg North Centre): On the point of order, Madam Speaker, we have been in on these discussions and we would agree with what has been proposed. We would like to have a recorded vote on the motion in the name of the hon. member for Fundy-Royal.

Mr. Lefebvre: Madam Speaker, due to difficulties that have been encountered electrically in ringing the bells, would it be agreeable that the discussion on the first motion, No. 22, terminate at 5.30 to give us time to ring the bells and get the members in for the second?

Mr. Knowles (Winnipeg North Centre): Not later than 5.30. It might be earlier.

Mr. Lefebvre: Yes, not later than 5.30.

The Acting Speaker (Mrs. Morin): Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Before proceeding to notice of motion No. 22, shall notices of motions Nos. 17 and 24 be allowed to stand and retain their place?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

CANADIAN MERCHANT MARINE

The House resumed, from Thursday, March 6, debate on the motion of Mr. Forrestall:

That an order of the House do issue for a copy of all studies, notes, position paper, memoranda, etc., relating to the requirements of Canadian shipping with respect to the proposed formula for import/export conference rated seaborne trade, in terms of the number of ships required, the capacity of Canadian shipyards, the number of Canadian merchant seamen required, the level of ancillary shipyard related industries of design capability, etc., in the event Canada ratifies the proposed code of Conduct for liner conferences.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I am privileged to be able to continue my intervention on this resolution. In doing so I should like to update some statistics that I placed on the record when I began my remarks a month ago.

In the first column on page 3858 of *Hansard* for March 6, when this debate began, I gave figures indicating the drop in the strength of the Canadian merchant marine from 1946 to 1972. The last figures I had then—figures provided by the Canadian Transport Commission, official government figures—indicated that in 1946 there were 203 dry cargo merchant vessels in the Canadian deep sea trade flying the Canadian flag. These vessels were over 10,000 tons. In 1958 the Department of Transport had to reduce the measure from 10,000 tons, because there were not very many by that time, to 3,000 tons in order to have an entry in their statistics. At that time there were five vessels, only three of which were over 10,000 tons, the others being between 3,000 and 10,000 tons.

In 1968 the total was down to three vessels over 3,000 tons. Then in 1972, again in order to have an entry in the tabulation, the measure had to drop from 3,000 tons to 1,000 tons, so as to give at least some indication of the strength. In December, 1972 it was indicated that there were six vessels over 1,000 tons, four of which were dry cargo vessels and two tankers. Two years later the report, again from exactly the same source, on the basis of the measure of 1,000 gross tons dry cargo vessels, shows the number down to three.

This is evidence, if any is wanted, of the lack of interest of this government, despite its protestations, in the regeneration and revitalization of the merchant marine. If this is not a sign of complete neglect, of a decision to bypass completely this very important service for Canada as an international trader, first of all, as well as an employer, as basically a maritime nation with—I think I am right—the longest coastline in the world, I do not know what is. Yet we have a merchant marine at the end of 1974 consisting of three vessels over 1,000 tons. Their total tonnage is 13,010 tons, not much bigger, in fact I think ten tons larger, than a Liberty ship. Here is a record of complete and utter neglect.

Last month we were delighted to see a press release issued by the Minister of Industry, Trade and Commerce (Mr. Gillespie) indicating some activity in the field of ship repair and shipbuilding on the east and west coasts. This is beginning to be, to my way of thinking, a chronic reaction by the government to present problems: issue a press release and the problem will go away. The minister spoke of a floating dock in Vancouver, and I am going to deal only with the west coast. Unfortunately I do not have a copy of the Minister's press release with me, but as I say he spoke of a floating dry dock in Vancouver harbour and indicated that funds had been allocated for this purpose amounting to about $30 million, though I stand to be corrected.

In the same breath, or rather in the same release, he mentioned the rehabilitation of the graving dock at Esquimalt costing $1 million or $2 million, but he did not say in his press release where the funds were coming from—another vague promise made by the government to rehabilitate an industry which has been the pride of the west coast, as it is the pride of the east coast, and as we have heard previously in this debate the pride of the industry along the St. Lawrence river.

Why, we westerners are bound to ask ourselves, especially those of us from Vancouver Island, should it be so difficult to find one or two million dollars when a $30 million allocation seems to be available without any problem at all? It is not that this floating drydock for Vancouver harbour is going to be built within the year. Some portion of that money could surely be put aside for the restoration and rehabilitation of the graving dock in Esquimalt harbour, but this is not being done.

I could go on to cite in the estimates many other examples, such as fisheries patrol vessels that are on the stocks. But let me just remind the House that the west does have a memory. We on the west coast recall the promise made in 1968 of the *Estevan* a weathership, which was going to be replaced by a new weathership. Curiously enough, and quite coincidentally I am sure, that promise was made in the middle of an election. It was pure coincidence that it should have been made at election time and that two Liberals were elected in 1968 in the area where the *Estevan* was required. But also perhaps by coincidence the *Estevan* was never built. Also by coincidence—though there might have been something in the minds of westerners that had an impact on this fact—no Liberals were elected in 1972, I suggest because the promise was made but not kept. The Liberals concerned were defeated in 1972.

There is a lesson here and I feel it might be worth recording. If you have got the goods, produce them. If you have not, don't pretend you have, because you really cannot fool the electorate forever. Either you are prepared to go back into the shipbuilding business and the merchant marine on the west and the east coasts on a scale that has been maintained at some cost in terms of credibility on the St. Lawrence, and I would underline that phrase "in terms of credibility", or failure to show your hand and produce the goods will render your conduct and your policies suspect.

● (1710)

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, I just want to refer briefly to part of the motion put forward by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) in order to bring the debate back to the topic, if you like, not that it has not been good a good debate in itself.

The points raised in his motion, and with the indulgence of the Chair and the House I will follow these comments fairly closely because of the terminology involved in the various codes of conduct, conferences, and other phrases that occur fairly regularly, were related first of all to a request in December last as follows:

That an Order of the House do issue for a copy of all studies, notes, position papers, memoranda, etc., relating to the requirements of Canadian shipping with respect to the proposed formula for import/export conference rated seaborne trade—

[Mr. Munro (Esquimalt-Saanich).]

As I said, we have had an excellent debate on marine issues, but one that has departed a bit from the particular request.

A reply was tabled on January 29, and I should like to go over that to some extent in order to amplify what was meant. At that time I asked the hon. member to withdraw the motion. The first point I made was that the bulk of Canadian seaborne trade is not carried by liner conferences. I think that is certainly borne out, and the intention here is to put the whole question in its proper perspective.

An hon. Member: It is carried by ocean-going vessels.

Mr. McIsaac: Yes, but not by that particular category of vessels. The major shipping out of Canada is bulk freight such as wheat, coal, and potash, as I am sure is known to hon. members.

In addition there are liners operating outside the conferences such as tramp vessels, and the liner conferences themselves carry only a small proportion of Canadian tonnage. Officials of the department tell me it is probably in the neighbourhood of 10 per cent to 15 per cent.

As indicated in reply to questions asked by the hon. member for Dartmouth-Halifax East at about the time this came up, we said we are attempting to develop more statistical procedures which will enable us to measure better the kind of things here referred to, that is, what proportion of Canadian cargo is actually carried by the conferences.

The second point made in that earlier reply was that if and when the convention on a code of conduct for liner conferences becomes effective, and is acceeded to by Canada and by Canada's major trading partners, it is not clear what influence the proposed non-mandatory 40-40-20 cargo shipping formula would have, Madam Speaker.

The UN convention on a code of conduct for liner conferences, which opened for signing on July 1, 1974, will only become effective when it is ratified by 24 countries having 25 per cent of the world value of general cargo and container ships. To date, and this is about a month ago, only six countries had signed this convention, and even those signatures are subject to ratification. They are Iran, the Philippines, Gabon, Guatemala, Equador and Yugoslavia.

In practical terms the attitude which Canada's major trading and shipping partners take to implementation of the code of conduct will necessarily affect its relevance to Canada. Most of Canada's trading and shipping partners are also members of the Organization for Economic Co-operation and Development. They were very split in their attitudes when the convention was negotiated. Denmark, Finland, Norway and other countries opposed it. Canada abstained, and other OECD countries such as Japan, Australia, and France voted in favour.

Canada is bound by the OECD code of liberalization of current invisible transactions. This code lists maritime freights as among current invisible operations in relation to which, according to Article 9 of the code, OECD members shall not discriminate as between other members. A

further note to the maritime freights entry makes that point even more clear. It states:

> These provisions are intended to give residents of one member state the unrestricted opportunity to avail themselves of, and pay for, all services in connection with maritime transport which are offered by residents of another member state.

So we have that aspect of another international agreement to contend with as we look at this proposed 40-40-20 split.

Some parties to the code of liberalization believe that the code of conduct convention is incompatible with it. Of course the code of conduct convention can be interpreted in more than one way. It is possible, depending on how a country interprets and implements the code of conduct convention in its own national laws, that this need not be incompatible with that country's prior obligations under the code of liberalization. Whether this is so, and if so in what way the code of conduct convention could be interpreted and implemented, have not yet been determined by announced policies of countries that are party to the code of liberalization.

The margin for interpretation of this code of conduct of convention is very wide. There is the well-known 40-40-20 cargo sharing formula with 40 per cent of cargoes being carried in conference vessels of the exporting country, 40 per cent in conference vessels of the importing country, and 20 per cent in conference vessels of a third, or a variety of other countries. That is merely a proposed cargo sharing formula.

We said in our initial reply that the formula would relate not only to a member state's flag vessels but even to chartered vessels participating in a conference. Again this indicates, as I say, a wide margin for interpretation; that is the proposed code of conduct convention.

We said as well that it would depend on how the convention was implemented whether it would have any effect at all on flag registry, national shipyard, shipyard-related activities, or merchant seamen of an exporting or importing state, and I again refer to the merchant marine concept brought into this debate at the same time. Because of these circumstances studies have not been prepared on the hypothetical ramifications of the proposed cargo sharing formula for Canadian ships, shipyards, shipyard-related activities, or merchant seamen.

I would like at this time to go a little bit further. In recent years, as the hon. member is well aware, international shipping has undergone quite a revolution. Larger and more specialized ships have made it a very capital intensive industry, and this has led to consortia and a tendency toward cartelization of shipbuilding and the shipping industry.

At the same time we have seen an increase in the world of state-backed or state-operated shipping lines, some of which have a non-economic motivation. This latter tendency has been accompanied by movement toward more restrictive or protectionist shipping practices, toward bilateral shipping agreements and that kind of thing. This is certainly of extreme importance to a code of conduct convention, whether it is ever implemented, and it is in some of its aspects a further development of this new spirit of bilateralism in shipping arrangements, but only in so far as liner conferences are concerned. As I mentioned earlier, they only carry a small proportion of Canadian shipping, perhaps 10 per cent to 15 per cent.

In January of this year the Minister of Transport (Mr. Marchand) tabled a consultant's study on "The Elements of an International Shipping Policy for Canada", and announced at that time the formation of an interdepartmental shipping advisory board to assist him in the coordination of present government activities in this field, and in the development of future policies.

● (1720)

What this means is that in the face of a period of revolutionary change in terms of international shipping, to which the hon. member's motion refers, this is but one manifestation that Canada is reviewing its position to ensure that our policies are well directed toward the protection and promotion of Canadian interests so far as shipping is concerned. It is on this basis that recommendations will be made concerning Canadian national policies, including policies with regard to a Canadian merchant marine, and not on the basis of an international convention which may or may not develop. We are not sure how it might develop in that situation. In any case, as I say, it relates only to a liner conference in the international concept of Canadian shipping.

I do not wish to belittle, if you like, the Canadian convention on a code of conduct for liner conferences and the possibility of that, the text of which many developing countries supported and which contains many useful provisions. This will continue to be given attention by the government, both in itself and as part of the over-all review in respect of shipping, but only in that particular context.

As I pointed out to the hon. member in my earlier comments in January, we have no particular studies under way. Only this morning in the transport committee one of the hon. member's colleagues criticized the government in respect of the amount spent on consultants to examine into this and that. I believe he would be critical of us if we had gone to any great extent in exploring the possibilities in this regard, which is a far cry from being a fact, and is not the number one priority in respect of examining the real needs of the marine and shipping industry.

The Acting Speaker (Mrs. Morin): Order, please. I should like to remind the House that if the hon. member speaks at this time he will close the debate.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, pursuant to the order I think the debate will come to a close in five minutes in any event. I wish to make two or three brief observations in respect of the remarks of the parliamentary secretary this afternoon and the other conversations we had at the time of my moving of the motion. At the close of my remarks I shall ask leave of the House to withdraw the motion.

The observations of the parliamentary secretary are very interesting. There are several things involved here. The motion arose from the position taken by Canada at the UNCTAD meetings which seemed, to all of us who are interested in these areas, to be a studied position. What escaped me at the time was how Canada could have a studied or reasoned position in respect of a particular

matter if it had not bothered to look into it in some depth, and in respect of which it had not prepared positions or papers. I still think that kicking around in the cobwebs of the UN or somewhere else are our papers pertaining to this.

My immediate concern relates to the development of a deep sea fleet to move goods in and out of Canada. I am not particularly interested in whether we do it uniquely or solely under the liner conference. I am aware that we do not carry all our goods in that particular way. I am also aware of the liberalization code and have some feeling in respect of it. I suggest to the parliamentary secretary that part of our concern is that we should become more keenly involved in, and develop a firm position, on the part of the government, parliament and Canadians, on Canada becoming involved in the deep sea and offshore business even if we do so through the liner conference, because if that should provide a rationalization for direct government entry into such movement then I am not prepared to dismiss that.

The Canadian Labour Congress, at its last meeting I believe, discussed this and suggested that the need was so important that perhaps the government should consider direct involvement. I am not prepared to dismiss that out of hand. I am particularly concerned because time is becoming a very critical element with regard to the movement of our extractive resources in the north.

If we do not develop our own capability then both the financial resource, the northern engineering and the maritime resource will be developed by the large cargo carrying vessels which operate in the north, and we will be precluded from operating there and will have lost yet another opportunity for Canadians. In the last five years alone, for what it is worth, we have been running some $3,684,000,000, in lost revenue in Canadian payments to non-residents with regard to freight and shipping charges on imports. That is a tremendous amount of money. In addition to that, of course, there is all the money we could have spent on a shipyard industry, and so on.

I am satisfied with the explanation of the parliamentary secretary on why there might be particular papers, studies, memoranda, or notes which could directly relate to the wording of my question. On that basis I would seek leave of the House for the purpose of withdrawing my motion with the final caveat that I reserve the right to introduce it in other words.

The Acting Speaker (Mrs. Morin): Is there unanimous consent that the hon. member have leave to withdraw his motion?

Some hon. Members: Agreed.

Motion withdrawn.

The Acting Speaker (Mrs. Morin): Pursuant to the order made in this sitting, the House will now proceed to the consideration of motion No. 21.

[Mr. Forrestall.]

LETTER FROM MINISTER OF JUSTICE TO SECRETARY OF STATE RESPECTING GRANT TO WOMEN'S GROUP

The House resumed, from Thursday, April 10, consideration of the motion of Mr. Fairweather:

That an Order of the House do issue for a copy of a letter written by the Minister of Justice to the Secretary of State, dated October 21, 1974, about a grant to a women's group in Saskatoon.

The Acting Speaker (Mrs. Morin): For all intents and purposes the time provided under section 2 of Standing Order 48 for the consideration of this motion has now expired, but I would point out that the Standing Order also permits a 15-minute participation in the debate by a minister of the Crown, and an additional five minutes for the mover of the motion, after which the Chair is bound to put the question.

[*Translation*]

I would like to remind the hon. member for Lapointe (Mr. Marceau) that it has been said that only a minister or the sponsor of the motion may have the floor at this time, unless there is unanimous consent.

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): There is unanimous consent. The hon. member for Lapointe has the floor.

● (1730)

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Madam Speaker, the Minister of Justice opposed the motion for production of copy of a letter he addressed, on October 21, 1974, to the Secretary of State (Mr. Faulkner) concerning a subsidy to a group of women in Saskatoon because, as the custom would have it, the recommendations of the legal advisers of the Crown on government policy matters being included under confidential matters, their release has usually been refused. In this regard, I refer to May's Parliamentary Practice, 17th edition, page 272, and Bourinot's Parliamentary Procedure, page 338. That guide line on notice of motions for production of papers was enunciated by the government and published as an appendix to *Hansard* on March 15, 1973 (page 2288). The fact that, in this case, part of the documents containing that ruling may have been made available to the media does not constitute a valid reason for breaking the tradition that requires such confidential documents not to be released. If documents of that nature were subject to disclosure, the freedom of expression and frankness that are essential to the proper management of state affairs would be seriously jeopardized, and the exercise of guiding the ministers of the Crown would be paralyzed.

[*English*]

The Acting Speaker (Mrs. Morin): I would remind the House that if the hon. member for Fundy-Royal (Mr. Fairweather) speaks at this time he will close the debate.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Madam Speaker, I will not use the five minutes which the rules allow me. I am one of those who do not mind breaking with tradition, and I am rather surprised that the Parliamentary Secretary to the Minister of Justice (Mr. Mar-

ceau) finds tradition such a motivating force for him and his government.

The issue, of course, is the right of the public to information. I suggest that if the minister had been responding to the Secretary of State (Mr. Faulkner) after a request for a legal opinion addressed to the Minister of Justice (Mr. Lang), then perhaps I would have a more difficult time preparing my argument, but what the Minister of Justice was doing was objecting to a program, speaking as the member of parliament for Saskatoon-Humboldt. That is quite a different category, and I am surprised that the minister should wish to take refuge in the traditions of confidentiality—I think very largely outmoded—by resisting my motion.

As I said earlier, we will continue to have leaks of information, letters, and other documents if governments persist in trying to hold the lid on consultants' memoranda, letters, and so on which, by their very nature, should never have been marked confidential. In any event I think the issue should be tested, and I will be glad to have it tested. I suspect that the Secretary of State has heard many more representations about this particular program than that of the hon. member for Saskatoon-Humboldt (Mr. Lang), who is also the Minister of Justice of Canada, and I am surprised that all these letters should be locked away so that we, as representatives, and the public, are unable to judge the merits of those representations.

Once again I thank those who have participated in the debate. I am sorry that inevitably the majority is a tradition bound government and that will mean that I will not be successful, but I am sanguine about the outcome and I hope that some day this, or a succeeding government, will be much freer about making information available.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed to the motion will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five hon. members having risen:

The Acting Speaker (Mrs. Morin): Call in the members.

The House divided on the motion (Mr. Fairweather), which was negatived on the following division:

● (1740)

(Division No. 32)

YEAS

Messrs.

Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Brisco
Clark (Rocky Mountain)
Coates
Cossitt
Crouse
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Firth
Forrestall
Fortin
Fraser
Friesen
Gilbert
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Holmes
Horner
Jarvis
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Lawrence
Leggatt
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Marshall
McKenzie
McKinley
McKinnon
Muir
Munro (Esquimalt-Saanich)
Neil
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Roche
Rondeau
Saltsman
Schumacher
Scott
Smith (Churchill)
Stevens
Stewart (Marquette)
Symes
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—70.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Corbin
Corriveau
Côté
Cullen
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Ethier
Faulkner
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guilbault
Haidasz
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Lang
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McIsaac
McRae
Milne
Morin (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Philbrook
Pinard
Portelance
Poulin
Railton
Reid
Roberts
Robinson
Rompkey
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Turner (London East)
Watson
Whelan
Yanakis
Young—115.

● (1800)

Mr. Speaker: I declare the motion lost.

Mr. McCleave: Mr. Speaker, I was paired with the hon. member for Quebec East (Mr. Duquet).

GOVERNMENT ORDERS

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: It being after six o'clock, I do now leave the chair until eight o'clock.

At 6:10 p.m. the committee took recess.

AFTER RECESS

The Committee resumed at 8 p.m.

On Clause 3—*Binding on Her Majesty.*

The Chairman: When the committee rose we were considering an amendment to clause 3. Shall the amendment carry?

Some hon. Members: No.

Amendment Mr. Hamilton (Qu'Appelle-Moose Mountain) negatived: yeas, 6; nays, 25.

The Chairman: Shall clause 3 carry?

Mr. Baldwin: On division.

Clause 3 agreed to on division.

On clause 4—*Definitions.*

Mr. Macdonald (Rosedale): At this point, Mr. Chairman, we start Part I of the bill, the provision for the petroleum export charges. Clause 4 is the definitions clause embodying substantially those found in the Oil Export Tax Act of 1974. I have an amendment to offer to this clause as follows:

That Bill C-32 be amended by striking out line 23 on page 2 thereof and by substituting therefor the following:

"for delivery outside Canada or to use it as bunker or aircraft fuel outside Canada by such persons in such circumstances as may be prescribed by the regulations;"

[Mr. McCleave.]

The purpose of the amendment is to make certain that aviation fuel and bunker fuel from Canadian sources are included in the definition "oil product". Foreign aircraft landing in Canada which until now have been able to obtain fuel at lower prices than those current in the United States—in effect they come here, fill up with Canadian fuel and go away with a full load—from now on will be obliged to pay the export tax.

The Chairman: To make sure there is no procedural difficulty, maybe the amendment could be moved by one of the minister's colleagues.

Mr. Sharp: I so move.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I wish to thank the minister for letting us see the amendment ahead of time. We have had an opportunity to read it and we approve it.

Amendment (Mr. Sharp) agreed to.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have one question for the minister. According to the definition, "exporter" means a person. Am I right in concluding that "person" is a term which covers Crown corporations or any agency of the Crown, provincial or federal?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman, pursuant to the Interpretation Act.

Clause 4, as amended, agreed to.

On clause 5—*Charge in April and May.*

Mr. Hamilton (Qu'Appelle-Moose Mountain): Would the minister ask his officials whether they could make available to us figures showing how much money has been collected up to the end of the calendar year 1974, month by month?

Mr. Macdonald (Rosedale): We do not have that information at the moment but I will get it and make it available to the hon. member.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Perhaps we could stand clause 5, go on to the other clauses, and come back to it when the information has been supplied.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

Clause 5 stood.

Clause 6 agreed to.

On clause 7—*Imposition of charge.*

Mr. Ritchie: I should like to make a few comments on this clause, Mr. Chairman. The setting of a flat rate of export tax has served some parts of the industry badly. In the finance committee the other day I asked some questions about the effect of the export tax in this form. I asked the Minister of Finance about the Fosterton fields in Saskatchewan, crude from which was shut out of the United States market because there was no demand for it there. The minister turned to Mr. Shoyama, who said:

One of the facts which was not foreseen at the time the oil price was increased in 1974 was that the flat amount per barrel was applied to all

existing levels and the effect of that was to narrow considerably the differentials which had always been maintained as among different qualities of crude and this has also had an effect, in a sense, overpricing them in the market but the provinces on the whole have been very resistant to any suggestions that their prices should come down to restore the differential—

● (2010)

My point is that it would appear that by setting a flat rate formula we have shut down one oil field in Saskatchewan, and I understand from reading news items that it is not likely to be reopened. Of course the minister will say that this stems from the argument between the provinces and the federal government. I assume that the province of Saskatchewan feels that if it gave in to what it regards as blackmail on the part of the federal government, it would destroy its case.

As I understand the situation, these fields are dependent on a type of crude that a refinery in Minneapolis is the only one that can handle it. We have no use for it in Canada. The fields have 10 to 15 years to run and are not big ones. If they were shut down they could never be reopened, or at least a substantial portion of them. I believe this clause gives some sort of variable, and perhaps the minister would comment on my point.

Mr. Macdonald (Rosedale): Mr. Chairman, I appreciate the hon. member's comments. He is quite correct when he talks in terms of a variation being available. If I can indicate the variations that the National Energy Board have been recommending, and which the governor in council has been following, for light medium the export charge has been at the level of $5.50. For the Lloydminster heavy, it is $4.40; that is to say, there is a $1.10 discount below the light medium. For other heavy crude oils except Lloydminster, it is $5. Condensate is being taxed at the rate of $5.20. So it will be seen that we have set a range of export charges that is related to the varying value of the crude to the refinery.

Mr. Shoyama's comments were referred to, and they related in particular to the impact on the domestic market of crude pricing. As was said at that time, traditionally when the price was down in the $3 to $4 range Saskatchewan heavy was selling at a discount because of its heavier gravity and its sulphur characteristics. With the uniform increase in the price of the oil barrel, the relevant discount has not been continued. In the domestic market it is estimated there is a potential market in Winnipeg and Ontario for about 30,000 barrels a day of Saskatchewan heavy. In effect it has been priced out of the market.

We have had discussions with the Saskatchewan oil administration and suggested that there should be a differential pricing for the heavy, which would open up for that particular product some of the Canadian market. As for the export market, it is true that there has been some frictional competition in the Minneapolis market with alternative source products, and indeed even some alternative source oil that has been barged up the Mississippi. The principal reason for the lower take, however, by the Minnesota refineries has been the relatively lighter runs this winter. They have very high inventories of crude oil and, for this reason, they have not been taking as much Saskatchewan heavy.

One of the problems is that there has been a reduction in the general take of heavy. Because of earlier representations from both producers and the producing provinces, we dropped the charge on Lloydminster by $1.10. There was an immediate move from other Saskatchewan heavy crude users to Lloydminster, which is the lowest cost oil, and that is one reason why the demand for Fosterton has dropped off very sharply. If there were a relative adjustment in the charge on Fosterton, some Fosterton production might come up but Lloydminster would go down, there being only so much export market for Saskatchewan heavy.

We suggested to Saskatchewan that a differential pricing for the Canadian market for Saskatchewan heavy could open up the domestic market and increase the flow over what it has been in the last several months.

Mr. Hamilton (Qu'Appelle-Moose Mountain): In view of the discussions with Saskatchewan about the differential, what has been the response of the Saskatchewan government to the proposal of the minister?

Mr. Macdonald (Rosedale): Mr. Chairman, as a matter of fact the hon. member may have seen it on television. I put that suggestion to Premier Blakeney and, in the words of Cole Porter, he didn't say yes, but he didn't say no. I think they recognize the merits of the suggestion, but this is one question which at the moment has not been decided. I think it would be in the interests of heavy oil production if they did agree to this, but at the moment a decision has not been reached with respect to it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Still on the same theme, Mr. Chairman, I know the minister has had representations from the oil producers of southeastern Saskatchewan, but has he been shown the unaudited books for 1974? If so, how much do they make on a barrel, or do they lose?

Mr. Macdonald (Rosedale): I have seen their calculations in this regard, and it appears that at the current level there is little incentive for them to increase production since it would involve an actual cost rather than a return. We have suggested that it would be appropriate to adjust the royalty which takes 100 per cent over the given figure provided for this quality.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Has the proposal been made to the Saskatchewan government that if the provincial government reduced its royalties the federal government would indicate the extent to which royalties would be made deductible under the Income Tax Act?

Mr. Macdonald (Rosedale): I would not have authority to do that, Mr. Chairman. A statement of that kind would be in the nature of a budgetary statement.

Mr. Ritchie: Mr. Chairman, according to the news item I read, there is a possibility that the Fosterton fields might be closed down and may not be reopened. As a result we will lose some oil for an indefinite period. As I understand it, if oil fields are shut down usually they are not reopened again.

Mr. Macdonald (Rosedale): It is certainly correct that it would take some time to get the flow on again, particularly with regard to the heavier crudes. It would take some

investment to get the more viscous crudes migrating, and therefore make them available for pumping.

Clause agreed to.

Clause 8 agreed to.

On clause 9—*Just and reasonable price to be reported.*

Mr. Andre: Mr. Chairman, I have a question for the minister about the National Energy Board fulfilling its duties regarding section 83 of the National Energy Board Act in terms of establishing a just and reasonable price in relation to the public interest for oil in the export market for any given month. My question relates to the different qualities of crude oil that might be exported. Should there be a schedule of prices along the lines of clause 7? Will the National Energy Board be reporting a schedule of prices for the various grades of crude, or will it just be reporting one price, and to what type of crude would this one price refer?

● (2020)

Mr. Macdonald (Rosedale): Mr. Chairman, what the board has been doing is in fact what the hon. member suggests and, indeed, as I suggested in my response, that is, indicating a range for the different qualities. This would likely take light-medium as the standard, and a standard qualitative differential would be applied on each side of the light-medium.

Mr. Andre: Would it improve that clause to indicate that in fact it is a schedule of price, and the board is following along the lines of the wording used in Clause 7?

Mr. Macdonald (Rosedale): The schedule, or the range, is set out in subclause (3) of Clause 9, and represents the tariff that would be recommended by the minister to the governor in council. Subclause (1) really draws on the expertise of the National Energy Board in this regard, and on the basis of that we would then recommend the tariff to the governor in council. This indicates a quality of judgment involved as in the kind of questions referred to by the hon. member for Dauphin. This involves not only the question of what is a just and reasonable price in the United States, but also whether there should be an adjustment in the price in the interest of keeping that particular crude flowing, perhaps because of a high inventory in Minnesota and other points.

Mr. Baldwin: Mr. Chairman, I know the government realizes this is a very important clause as it is one of the main mechanisms for the establishment of the charge. This is important to the government in the sense of determining what funds it will have available for the purposes of the equalization plan. The machinery is fairly simple, but I imagine a lot of thinking goes into it. The recommendation from the minister to the governor in council in respect of charges is to be taken in the first instance from the department and from the board for the purpose of determining what is a just and reasonable price.

Anyone who has had any dealings with the National Energy Board will know the reason for that clause, and how these just and reasonable prices are determined. What really interests me are the other two subclauses which refer to the public interest of Canada generally, and all the circumstances that appear to the minister to be relevant. I know the minister cannot advise us on the monthly price until his advisers go through it and make the recommendations, but this is going to be of some importance in the future. Precisely what are the basic guidelines that animate the minister in making these recommendations in the public interest of Canada generally, and particularly with reference to all the circumstances that appear to the minister to be relevant? Are there circumstances above and beyond the public interest, or what are the guidelines that the minister will adopt?

Mr. Macdonald (Rosedale): Just by way of an example, this would involve a judgment we would have to make with regard to the heavier crudes. Because of the nature of the reservoirs, the heavy crudes are the most difficult to move. If the demand for crude is down in a particular month it has been the practice in western Canada over the years to use the light crude for the purpose of a surge tank, which goes up and down, leaving the volume of heavy crude relatively static, so far as that is possible. In that sense I think that would be a relevant circumstance to be taken into account. I think it can fairly be said that this would not be in the public interest of Canada so much as being a relevant circumstance which would perhaps cause one to set a differential to make sure that the heavier crude was kept moving, rather than to have a pro rated reduction of all crude types.

Mr. Baldwin: This is sort of like the belt, suspenders and safety pin aspect. You are taking all the safety precautions you can to allow yourself the fullest freedom possible in setting the price.

There is another clause in respect of which we might raise an issue, as it will have to be dealt with either here now, or later. Could the minister give some idea at this stage, and it can only be an estimate, of what he views as the situation during the ensuing six to 12 months in relation to the amount that will be raised? What will be the extent of the charge, and how is that charge to be applied in respect of the forecast of the number of barrels of oil exported that will be required to recover the revenue necessary to meet the equalization process? What is the minister's judgment in this area? Can he say how much may be required to supplement the charge in order to provide for those importing areas in the eastern part of the country?

Mr. Macdonald (Rosedale): It is difficult to be precise, but perhaps I might suggest some round figures that could be the basis for an instant calculation. If one goes on the assumption that between May 1 and the end of December, 1975, the average throughput will be 650,000 barrels a day, and of course between January 1 and June 30, 1976, that will be down to 550,000 barrels a day, the average tax per barrel might be in the neighbourhood of $5. Perhaps that calculation can be made while I continue talking. One also has to make certain round assumptions as to what the season of the year will be like and what the demand will be.

Mr. Baldwin: Celsius.

Mr. Macdonald (Rosedale): Celsius will have a major impact on it. We would estimate that between July, 1975, and July, 1976, the necessary supplement from the Consolidated Revenue Fund would be somewhere in the range of $300 million to $500 million for the 12-month period. This would be the case if there were an agreement between the provinces and the federal government in respect of the change in price. I am recalling the figure from memory, but I think that if there is an assumption that the

price will increase $1 per barrel, the exposure in eastern Canada would be cut down by about $50 million on an annual basis. So there would be some savings if there is an increase, and we are talking about a range somewhere between $300 million and $500 million a year taken from general revenue to supplement the export tax revenue.

It has been confirmed that the deficit would be in the $300 million to $500 million range, and as you increase the price by $1 barrel you save about $70 million in each step up, so there would be a reduction if there was a price increase.

Mr. Lambert (Edmonton West): Mr. Chairman, I am concerned about what seems to be a free exchange of expression as it suits the circumstance. Under subclause (2) of Clause 6 there is an imposition or a collection of a charge which also applies under Clause 7, but then we have a payment of this money directly to the minister under Clause 10. Then when one goes to Clause 14 the charge becomes a debt due to Her Majesty, and under Clause 14(2) the reference is directly to the Excise Tax Act. What concerns me is that it appears the Government of Canada, through this legislation, is attempting to impose an export tax. The use of the word charge is merely a play with words. It is an export tax.

● (2030)

We know there are two corporations, one in Saskatchewan and one in Alberta, which may be the owners of oil. There is also, in addition, a national petroleum corporation which is a federal corporation in the process of being created. Under its statute it can become both the owner of and exporter of oil. Under what authority does the Government of Canada claim the right to tax a provincial Crown corporation, a provincial entity, or a provincial government, which in itself is the owner of the oil without the consent of that province? Second, where does the Government of Canada propose and how does it propose to charge itself a tax?

We say that the national petroleum corporation could be subject to being indebted to Her Majesty. How can Her Majesty be indebted to Her Majesty, and how can the terms and provisions of the excise tax under subclause 2 be applied? There are other questions of records, books, and accessibility thereto, and penalties for the failure to comply. I am wondering how we can get around the question of trying to dodge, by language, a tax which is said here to be a charge. I do not think anyone in Canada would be deceived into thinking that this is not a tax. I am wondering whether the minister can give us an explanation.

Mr. Macdonald (Rosedale): There are really three questions involved here. First, why is it a charge and not a tax? The term "export tax" is understood to refer to the regime in existence up until the commencement of this particular regime. Fifty per cent of the proceeds were made directly available to the province, and 50 per cent were to be redirected by the federal government to the province. The shift from tax to charge marks a shift which takes effect in the new regime.

I agree with the hon. member that in substance a tax is now applied for export compensation purposes. There is no more sinister intent involved than that. With regard to the provisions of clause 14(2), that really represents an incorporation by reference *mutatis mutandis* of the provisions of the Excise Tax Act. The hon. gentleman will recognize that the draughtman's shorthand is to prevent him having to repeat, again *in extenso*, the provisions which are already in the law in the Excise Tax Act. The third is how does the statute impose the tax or the charge on the Crown, whether federal or provincial? This of course is the question we debated at length this afternoon.

With regard to the federal government it is pursuant to section 16 of the Interpretation Act and the declarations involved in clause 3 of this particular bill, where the tax is imposed on the Crown in the right of Canada, and in due course, with regard to parliamentary action, would be imposed on the national petroleum corporation if it were an exporter of oil. With regard to the imposition of the tax on a provincial Crown corporation, that power is provided by clause 3 of the statute and is further to the provisions—to give the actual jurisprudence—of the case, the Attorney General of British Columbia versus the Attorney General of Canada, 1924 Appeal Cases at page 222, in which the Crown in the right of Canada was entitled to charge customs tax in that particular case against a provincial Crown corporation.

Mr. Lambert (Edmonton West): I raised this question in order to get the minister to admit that this is an export tax. I have a different opinion than he has about the right, without the consent of the province, to tax property of the province. If it were not to be a tax how could we proceed in the House by way of a ways and means motion insofar as this particular bill is concerned? Unless it were a tax then it cannot in any way come forward as a ways and means motion and be considered in the House in committee of the whole.

So, we recognize here that if clause 3 falls to the ground this means that what the minister has said flows therefrom also falls to the ground, and that the lynch pin for the authority for the imposition of this so-called charge—I prefer to call it a straight tax—depends upon clause 3. It may be that there might be some judicial challenge on that particular point because it seems to me that the whole idea—and I do not wish to repeat the debate of this afternoon—is a denial of the essence of confederation and the ownership of the resources by the province, and that the federal-government by this bill is trying to arrogate to itself powers it never did have, does not have, and never should have. In any event the minister has cleared up the point. He calls it a tax. Therefore it is a tax. That clears up the procedural point I raised in this regard. I do not agree with the minister's concept, but there it is.

The Chairman: Shall clause 9 carry?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): On division.

Clause 9 agreed to on division.

On Clause 10—*By whom charge payable.*

Mr. MacKay: Mr. Chairman, I shall be very brief. In looking over the provisions I wonder whether perhaps the minister, in view of his highland Scottish heritage, gave

instructions to those who drafted the bill that it be in Gaelic and then be changed back again to English. I have difficulty understanding the Subclause 2 of clause 10. I believe what is meant is that anyone exporting oil must pay the export charge, but the way it reads is:

A person who exports oil on which a charge is imposed under this Part in circumstances in which there is no exporter who is liable under this Part to pay that charge is liable to pay that charge.

I find that confusing. Would the minister explain that provision for me and give me an example?

Mr. Macdonald (Rosedale): Of course the hon. gentleman would recognize, as I do, that this country is an Ecossocracy, that is to say, a society run by Scotsmen, and the draftsman happens to be a graduate of Edinburgh University. However, the purpose of it being expressed in this rather elyptical way is that the exporter is defined in the commencement of the part as being one who holds an export licence. That is the reason for the rather elyptical wording involved in subclause 2 of Clause 10.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I wish to place on the record the fact that in Clause 10 the word exporter appears. The minister explained earlier, in dealing with the definitions, that an exporter was a person and could include Crown corporation, or agency, or province, as well as the federal government. I, like the hon. member for Edmonton West, have the simple understanding of the constitution that one government cannot tax another.

● (2040)

If the governments of the provinces of Alberta or Saskatchewan are exporters under this definition, and if SaskOil, a government agency, is exporting, you have a real cause of clash. I have grave doubt about this, and I wanted to record it at this particular time.

The Chairman: The hon. member asked a question. Is he expecting an answer?

Mr. Hamilton (Qu'Appelle-Moose Mountain): There is no answer required, Mr. Chairman.

The Chairman: Shall Clause 10 carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause 10 agreed to, on division.

On clause 11—*Board to administer.*

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, during one of the standing committee meetings I expressed my concern about the heavy burden which was being placed on the personnel of the National Energy Board with the administrative responsibilities which had to be added to their ordinary duties this last year and half. At that time the minister stated that they were strengthening the personnel of the board in the hope that they could carry these extra responsibilities. I do not have to point out to the minister that the administration of the bill now being put to the House will continue to add tremendously to the administrative burden of the National Energy Board, and therefore the difficulties I noticed this last year and half in carrying out the operations of the National Energy Board will be compounded.

This brings me to my major concern. I was a member of the Diefenbaker administration which set up the National Energy Board. We wanted to give Canadians protection in the handling of their energy, protection they had not had before that time.

The first function of the National Energy Board was a judicial one. It was to decide matters which were brought before it pursuant to the National Energy Board statute. I have observed the actions of the board over this last 14 years, and my criticism has been on this question of administration. I think that the time taken in handling routine applications for changes of facilities along a pipeline, for example, has been too long. This has been costly for people applying, costly for the people intervening, and certainly, in the long run, costly to the consumer who has to pay for all this delay. For my part I would like to see a strengthening, a speeding up and streamlining of this judicial function.

Since there are only a few members on this board, the judicial function should take most of their time. In addition to this judicial function they have another extremely important function, and that is to act as a policy suggestion type of institution.

It was recognized back in 1958 and 1959 that Canadians had to look ahead. They had to be informed continually as to the supply situation. These figures should be provided by an independent and capable board. How much natural gas is it proven that we have? What is the best guess of the potential gas supplies to be found? How much proven oil do we have? How much potential can we expect to have, within a time frame, for the safety of the nation?

The failure of the National Energy Board to carry out these advisory functions, which are clearly laid down in the act as their responsibility, is one of the reasons we have been in this situation for the last two years. When the new chairman took over last year I questioned him on behalf of the opposition to see what his position was on this advisory function. He assured the committee that he would do everything he could to restore the operations of the board in the field of advisory function to the government and to the people of Canada.

Knowing something of the heavy load the board has had to bear these last 15 years, knowing a little bit about the tremendous extra administrative responsibilities of the last year and a half, and then to have added to it all these new responsibilities this legislation will entail, I see trouble down the road purely from an administrative standpoint. I think the minister would be well advised to inform his cabinet colleagues that the National Energy Board structure and the divisions of its duties into judicial, advisory and administrative will have to be radically changed. If the minister would give this advice to his colleagues I think they would respond favourably because the board will be the key for several decades to come in the administration and handling of our energy resources.

I would like to give an example of what concerns me. The changes in the movement of oil around the world have been so radical in the last two years that I doubt if there is

a single person in a single oil corporation who fully understands the significance of all these changes. Tonight we heard the hon. member for Dauphin ask questions about what is happening to the heavy and medium crudes of Saskatchewan. This is a classic example of how the resources of the country are hurt by not having staff on a board with time to look ahead and to visualize the impact of their decisions on the various types of producers of oil in Canada.

In the rush of quick decisions which were made last year and in light of the under staffed energy board, no one if about to point his finger at the board. But coming from the province of Saskatchewan and representing a constituency where a large percentage of its wealth depends on the health of the companies operating in nearly a score of oil fields, I see the populations of towns of 2,000 reduced by 20 per cent, 30 per cent and 40 per cent because of the exodus of people working in these fields just because the board, at the request of the government in setting a price, did not think through what the disastrous impact would be from setting that price. When they were raising the price up to $6.50 and raising all grades of crude up the same amount, they did not have time to realize that this would destroy more than a score of small but very valuable oil fields in Saskatchewan.

The hon. member for Dauphin is quite right in suspecting that once a low viscosity oil field has been pumped for 15, 18 or 20 years and it goes out of action for two or three years, it is very marginal and dubious economics as to whether that oil field will be brought into production again. If that oil field is kept pumping constantly and the proper recovery measures are taken constantly, it may last another 10, 12, 15 or 18 years, providing a tremendous value in terms of energy to this country.

It is true that production in south eastern Saskatchewan in only measured in terms of 50,000 or 60,000 barrels per day, but 50,000 or 60,000 barrels per day times the number of day in a year times the number of years left in that field, with proper conservation techniques in the pumping and management of that field, amount to hundreds of millions of dollars over the next decade or so.

● (2050)

There is not only the threat that we lose all the jobs of the people who bought or built homes in this area expecting to have 30 years to work looking after these fields, but there is the fact of the stupidity of this country in not thinking ahead on the significance and impact of these increased taxes on the fields. No one on the Energy Board is to blame for this stupidity because there was not the staff to cope with the subject.

I suspect that what is true in southeastern Saskatchewan is also true in other parts of the west, that an understaffed National Energy Board was doing things which were not intentionally harmful but whose effect was disastrous. Now, a year and a half later, the minister is saying "We made a mistake and now we are consulting with the province of Saskatchewan to see if they cannot alter their royalties". In this particular case two guilty parties, two greedy governments, are trying to grab all the economic rent they can from these oil companies, and so great was their greed that the sum total of their tax liability is greater than 100 per cent.

When I asked the minister if he had seen the figures he said he had, and that every time they produce a barrel of oil it costs them money. The more honest way of saying it is that they are losing money on every barrel they produce. When companies only produce 20 barrels per day per well, if the number of wells they have is multiplied by 20 cents or 30 cents per barrel, it could come to as much as $20,000 or $30,000 per year. They can only carry that kind of loss so long.

I have in my possession letters giving their liability in exact figures. In one particular case the profit on a particular operation is $4,000 and the tax liability is $6,000. The owner of that operation is not going to keep it operating for too long, I should say.

I am making two points, Mr. Chairman. The first is that we have to strengthen the National Energy Board immediately, both in numbers and by restructuring it to handle these decisions more effectively. At the same time we must give it the quality of manpower that is able to understand the impact of its actions. In the theory of the government at Ottawa, a person who is a highly trained administrator in one field should be able to administer in another and could be taken from any department, put into the National Energy Board, and told to "administer". He might be told by the government to raise the price, but I would suspect that many of those administrators would not know the significance of having mediums or heavy crude and so on. This last mistake I referred to was very costly to oil companies in terms of dollars and cents, but it was also costly to the human beings who work and serve in the oil fields.

I am pleading with the minister, under this clause of the bill, to give high priority (a) to increasing the personnel and National Energy Board staff, and (b) to restructing it so that it can separate the judicial function from the administrative function more clearly. Above all I plead with him not to betray the people of Canada in the future by setting aside the advisory function of the National Energy Board. We have paid heavily for that failure in the last ten or 15 years.

I would repeat that when the minister goes looking for new personnel it is going to be hard to find them among civil servants, who usually have a limited knowledge of oil and gas. He will have to consider seeking them within the oil industry, so it will be necessary to set down very clear guidelines on the question of conflict of interest for these people, and to ask them to abandon all ownership of oil and gas.

I have deliberately taken the time of the committee to make this presentation of my feelings in regard to the National Energy Board, Mr. Chairman. I believe it is an excellent institution which has served this country well, but if it is to grow and be staffed in the usual method of institutions and agencies around Ottawa, we are in for some serious trouble. I hope my proposals are acceptable to the minister and that he can put them to his cabinet colleagues with all the energy he can amass in an attempt to give the country a better break than it has had in the last two years.

Mr. Macdonald (Rosedale): Mr. Chairman, I wish to say a word by way of explanation. The Board now has the responsibility of determining the export volume from month to month and of issuing export licences from month to month, so it already has substantial administrative responsibility. What we do here is impose upon the person who is to make the judgment and issue the licence a further responsibility which goes along with the basic one of collecting the taxes. We are not creating a separate agency in either the Department of National Revenue or my own department for that purpose. We are trying to minimize the number of government agencies dealing with the transaction.

As the hon. member says, I do not think there can be any question that these further responsibilities will impose a need for additional personnel employed by the board. In the past the entire personnel of the board has come from the private sector. The hon. member mentioned the problem of conflict of interest. In trying to balance that, I think it is essential to have people in this field with practical experience in the oil and gas business rather than take them from some other sector of the government.

There is one point on which I take issue with the hon. member, however. He said that in setting the price the government had not been flexible enough. As I pointed out to the hon. member for Dauphin, the government has been flexible in setting the export tax and this is the result of setting variable export prices for the various commodities. With respect to setting the domestic price, by the agreement of March 27 we set the maximum price.

It was the government of Saskatchewan by choosing to go to the full maximum in these particular qualities of oil that, in effect, made that oil non-competitive in the Canadian market. That was the essence of my observation to the hon. member for Dauphin, and the essence of my conversation with the provincial administration. If they would choose to go to the full maximum price, as they chose with lake crude, and arrange the price for sale in Canada with the customers' discount as in the past, it is the belief of my advisers that there could be an increased flow from these particular fields, and some of the hardships he referred to would not have been felt by the industry.

Mr. Lambert (Edmonton West): Mr. Chairman, with the greatest respect to the minister, in the government's headlong rush to control the production of oil and petroleum in Canada we have seen something which is retrograde.

The establishment of the National Energy Board was the subject matter of the Borden Royal Commission on Energy and was set up as an independent body to advise the governor in council of certain action that should be taken by the governor in council, such as the approval of applications for export permits and pipelines. It was an independent body of experts. The National Energy Board was also to consider matters of production and the sale of electrical power.

● (2100)

There is also the question of uranium. All forms of energy were to come under the purview of the board, which was to advise the cabinet about them. By this bill the National Energy Board is to be set up, first of all, as a tax collecting body. It must administer taxes levied on all petroleum products. Is it to do the same with the export of electricity, if the government should decide it will raid that field as well?

By this decision the government will destroy the independence of the National Energy Board. It is to become merely a further instrument at the behest of the minister and the department.

Certainly the collection of taxes, matters involving the excise tax, and all questions of distraint, recovery, and so on, can come under the Minister of National Revenue. This should not be done by the National Energy Board. After all, the Minister of National Revenue is responsible for customs on the one hand and the excise tax on the other. He collects the premiums payable under the Unemployment Insurance Act and the contributions made under the Canada Pension Plan Act. Why should the Minister of National Revenue not collect this tax and be responsible for the administration of its collection?

The minister opposite feels there would be an economy of personnel if it were done by the board. I suggest there will not be; there will be a different philosophy, a different policy governing the way the tax is collected. The Department of National Revenue possesses expertise in these matters.

My colleague from Qu'Appelle-Moose Mountain was right when he said that at the heart of this matter there is a potential conflict of interest. In moving around personnel of the National Energy Board I do not see how the chairman, who is responsible for that board and must advise the cabinet about certain administrative matters, can maintain his sense of independence. The board, in essence, should be composed of experts. Somebody there, some member of the board, will become the administrator charged with the responsibilities given to him by this bill.

It seems to me that a potentially grievous wrong is being inflicted on the National Energy Board. Its value is being affected. I go further than my colleague for Qu'Appelle-Moose Mountain. I say that all of these administrative provisions should be removed; they should not be the responsibility of the National Energy Board. If we are to have a tax of the kind proposed, its collection and the turning of the moneys over to the Receiver General of Canada should be a matter for the Minister of National Revenue. I think we would see a much tidier administration if that were done.

Mr. Macdonald (Rosedale): Madam Chairman, obviously I will reflect a different viewpoint. The board is already, under the export provisions of the National Energy Board Act, responsible for determining on a monthly basis the total amount which may be exported and what amounts may be exported by individual exporters. We took the approach that, as less than 20 licensees are involved, the step we are proposing would convert the collection into a toll collection. In administrative terms it would add one relatively minor function to those already being exercised. In all logic, as we were dealing with fewer than 20 licensees, it seemed to the government to make more sense to add what is really a minor administrative

program to the responsibilities of people who are already totally familiar with the transaction, because they authorized it.

Mr. Horner: Madam Chairman, much of our discussions has centred on the National Energy Board. I do not disagree with my colleagues and will try not to be repetitious. I submit the National Energy Board has been somewhat negligent in carrying out its duties. Some time ago it published a couple of books dealing with energy and the right way to use energy. Then it published its report on our energy requirements and energy reserves. It came as a shock to many Canadians to learn that we do not have all the oil we thought we had, and that our reserves will run low in the near future. If the Canadian people had known this two or three years ago we should not be in our present difficulties. The oil companies knew as early as 1969. Certainly the National Energy Board should have known this sooner than it did, and should have informed the Canadian public.

Now the National Energy Board is doing a feasibility study on the Mackenzie Valley Oil Pipe Line. Did the minister ask the National Energy Board if the oil pipeline from Sarnia to Montreal is feasible, and whether it supports the building of that pipeline? I think it will be a political pipeline, not an economic one. I submit it will be uneconomic. I thought that more than a year ago, when the minister said, I think in the summer of 1973, that the pipeline to Montreal would be built and operating before that winter. Well, the winter came and the winter went, and the pipeline was not built. It was not even begun. When questioning the staff of the National Energy Board about its role as a collection agency and whether that role should be enlarged, he should also ask it if it thinks the pipeline from Sarnia to Montreal is feasible and economic. Or is this to be a political decision only? Will the pipeline be built only for the sake of politics?

Mr. Macdonald (Rosedale): Madam Chairman, I want to correct the hon. gentleman. The board has held a number of hearings and there was never any suggestion that the pipeline would be completed by the commencement of last winter. The initial timetable was for completion by December, 1975. Principally because of the intervention for environmental reasons of the province of Quebec, the time has moved up and it will now be in mid-summer, 1976. The board held its final hearing on Friday last and will be pronouncing its decision within a few days. The applicant is ready to go, having acquired the necessary right-of-way. Of course the government, to back up its policy, has assisted the applicant in two ways, namely, by ensuring the early delivery of the pipe, which is now being delivered, and by entering into the deficiency agreement which was approved by parliament at the end of the last fiscal period.

● (2110)

Mr. Horner: Madam Speaker, I will briefly sum up the minister's remarks as I do not want to misunderstand him. The minister stated that the pipeline will be finished in the middle of 1976 and that the National Energy Board will shortly be publishing its report on whether it is economic. He stated that the energy board held its last hearing this past Friday. I gather from that that the government acted before hearing from the National Energy Board on whether it reached the conclusion that the project is economically feasible. I do not want to leave the chamber this evening with a strong assumption with respect to the minister's remarks.

Mr. Macdonald (Rosedale): Madam Chairman, the hon. member does not quite have it right. The pipeline can only go ahead if the board makes the final judgment that it is economically sound. We will hear within a day or so whether that is so. However, he is quite right in saying that for policy reasons we judged it advisable to put that pipeline into Montreal from a national security standpoint. It is for that reason, at the time when pipe was in short supply, that we took steps to guarantee the availability of pipe. It was because of the potential of a deficiency that we came forth with a definite agreement. Under the law provided by parliament, it has to be the ultimate judgment of the board. I cannot anticipate that. This is why I cannot be final in saying that it will go ahead. My expectation is that the board's decision will be favourable, but we will have to wait until we get it.

Clause agreed to.

On clause 12—*Exemption or reduction.*

Mr. Baldwin: Madam Chairman, this clause is giving me concern. It gives to the governor in council under certain conditions very broad powers with regard to what is in effect the remission, either prospectively or retroactively, of charges which are covered by the clauses with which we have been dealing.

I fear giving this power to any government without some safeguards attached to it. I am particularly concerned about giving it to this government whose track record, from the time of Hal Banks up to the time of the dredging companies, has not been too inspiring with regard to its assessments of people and corporations. We must consider that those who might be the beneficiaries may be some of the large corporations involved in transactions for the sale or shipment of petroleum products to the United States.

The governor in council is given the power solely on the indication by the board that it is in the public interest to so do. What is the public interest? Who is the judge as to what is in the public interest? Does someone on the board pick up the telephone and say "Mr. Minister, I think it is in the public interest that you exempt XY corporation from the payment of these charges"? This clause retroactively permits that a charge paid four months previously can be remitted, or the liability released.

There is presently a means of doing this under the Financial Administration Act. According to Beauchesne's Parliamentary Rules, authority is given to the governor in council on the recommendation of Treasury Board whenever he, that is the governor in council, considers it in the public interest. There is the same language. The governor in council on a recommendation of Treasury Board may, when he considers it in the public interest so to do, remit any tax, fee or penalty. I notice the word tax here. I listened to the interesting discussion of the hon. member for Edmonton West and the minister. In any event, that is covered by one of the subsections in the Financial

Administration Act, the remission clause, which defines tax as including any tax imposed, duty or toll payable to Her Majesty. I think that is wide enough to cover it.

In addition, there is in the remission provision in the Financial Administration Act, with the necessity for remissions to be reported to the House of Commons in the public accounts with statements, names and amounts in respect of anything over a certain amount. This is what alarms me about clause 12. There is nothing which compels the government, unless the minister can advise that the provisions of the Financial Administration Act are applicable, to state that the government is compelled to publish a list of the exemptions with the names and the amounts.

Why is there the word retroactively? Why was that put in? Are there situations now in existence where the government is contemplating exempting people or corporations from charges for which they normally would have been liable last month, the month before, or the month before that? It may be there is something else in the bill of which I am not aware by which this will have to be done. However, as it now stands, the governor in council on the simple advice from the board, which does not have to be expressed in terms of a written certificate and can be done only by a telephone call, can deem it in the public interest that XY corporation, which three months ago was liable for charges in the amount of $100,000 or $150,000, is now exempt from that charge. Any member of this House is bound to be concerned about a bill which grants such extensive power to the government and its representatives when, side by side with that, is authority to provide for these exemptions.

I would like a more detailed explanation if there are people to whom the retroactive aspect is going to be applied. What assurance can we have from the minister, without us moving amendments, that there will be full and complete disclosure? Has the government decided that the provisions of the Financial Administration Act will be applicable, and will it publish in detail all of the facts surrounding any exemptions with the amounts, names and reasons? I believe this is a very reasonable request bearing in mind the rather awesome powers which this gives to the governor in council.

Mr. Macdonald (Rosedale): Madam Chairman, the hon. member is referring to what is now Section 17 of the Financial Administration Act. Under the export tax as opposed to the export charge provision, there were a number of remissions to the British Columbia Council of Forest Industries and for the purposes of Canadian Pacific aviation fuel. This arose from the situation on the west coast whereby Canadian crude goes to the Puget Sound refineries and is refined there and some of the product, but not all of it, is brought back in, for example in the form of heavy crude for the Council of Forest Industries or in the form of aviation spirit for CP aviation. That is the kind of case that has occurred in the past.

● (2120)

One of the reasons for the reference to retroactivity here is that at the time when there was some debate as to the appropriate level of price and hence of export tax for the export of Lloydminister crude, we indicated that while the export tax system remained in force generally we would, subject to proof, be prepared to remit a defined portion of the tax to exporters of the Lloydminster product. Those exports have gone ahead, the applications have been received but, because the statutory authority existing at that time has now expired, we have included a retroactive provision in the bill so that we can honour that undertaking. This, of course, is done by an order in council which is made public in due course subject, of course, to the provisions of the statutory instruments legislation.

With regard to the comment about the provisions of what is now subsection 8 of section 17 of the Financial Administration Act I would be quite prepared to amend clause 12 by adding as subclause (2) thereof a provision identical to that in the Financial Administration Act, which amendment reads:

> That Bill C-32 be amended by adding thereto immediately after line 22 on page 6 thereof:
>
> A statement of each exemption or reduction of any charge ordered pursuant to this section shall be reported to the House of Commons through the public accounts.

I believe that is a correct paraphrase of the words used in the Financial Administration Act. I would ask my colleague to move an amendment along those lines. Perhaps we could pause at this point while the precise wording is being considered.

Mr. Baldwin: That is the kind of amendment which I praise the minister for his willingness to make. I must say it would put my fears within manageable bounds.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I should like to add my own words of praise to the minister along the lines suggested by the hon. member for Peace River. When I read these words in the proposed legislation I was a good deal disturbed because the power of exemption does allow tremendous room for certain things to happen.

If I am not disturbing the minister while he is drafting his amendment I should like to ask him whether he would use this retroactive power in connection with the medium and heavy crudes of Saskatchewan. If he finds, after this legislation passes, that serious and proven harm has been done to exporters of those grades in Saskatchewan because the incidence of the export tax has priced them out of the market, and because of provincial royalties and taxes coupled with the decision as to non-deductibility for federal tax purposes, could the minister under this clause consider an order to return part of the export tax to these companies when they have suffered losses through no fault of their own?

Mr. Macdonald (Rosedale): I think that is very doubtful. I am doubtful whether I should put that proposition to the governor in council, and I am even more doubtful that it would be accepted. It would involve a reduction of the federal revenue having regard to the level of provincial royalties. This, of course, is the subject of intensive debate between the federal government and provincial governments. The purpose we have in mind with regard to the Lloydminster crude in particular is that at a time when the market has been highly volatile in terms of marginal price differences because of the arrival of competitive offshore crudes, it is desirable to encourage exporters to go ahead and seek markets for a certain volume of this product in the United States.

If, in fact, it is found that the judgment which the board had to make—it is always difficult to make these judgments during a volatile market—put the tax too high, then the companies would be able to seek some kind of recompense. Any general remission because of the royalty level in the province of Saskatchewan, for example, would not, I think, be covered by the intention here.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The point I have raised is a crucial one for operators in Saskatchewan. I am not referring to Lloydminster crude, I am referring to the operators in the medium and light-medium field in Saskatchewan. If the discussions which I know must be going on between the Minister of Finance and the Saskatchewan ministers do result in the Saskatchewan government reducing its taxes and royalties and where it can be shown that the combination of the export tax, the provincial tax, the royalties and the non-deductibility provision in the budget has put companies in a negative earning position through no fault of their own, can these companies be compensated for losses they suffered in 1974 retroactively? I am assuming now it is possible to get agreement on the part of Saskatchewan to reduce its royalties. Is there any possibility of making retroactive payments under this clause?

Mr. Macdonald (Rosedale): Of course making a judgment of that kind would involve a political accord which has not been reached. The quick answer to that question would be that this would be one way of putting an exporter back into a better financial position.

We now have a more refined copy of the amendment I discussed with the hon. member for Peace River. I will ask my colleague, the President of Privy Council, to move:

That Bill C-32 be amended by striking out line 7 on page 6 thereof and by substituting therefor the following:

"12(1) Where it is shown to the Governor"

That is an amendment to the first line of the clause so as to get subclause 2 in, and here the necessary amendment would read:

That Bill C-32 be amended by adding immediately after line 22 on page 6 thereof the following:

"(2) A statement of each exemption or reduction of $1,000 or more ordered pursuant to this section shall be reported to the House of Commons in the public accounts.

Mr. Sharp: I so move.

● (2130)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Madam Chairman, may I say a word about the amendment. May I preface my remarks by saying something about the exchange that has been taking place between the minister and the hon. member for Qu'Appelle-Moose Mountain. I never fail to be amused at the way the minister always suggests that if an oil Company is in any difficulty the provincial government ought to reduce the royalties, forgetting that the oil belongs to the people of the province and that they have a substantial claim.

The federal government has moved into the oil field with a very heavy hand in its most recent budget. In the September, 1974, issue of "The Petroleum Industry of Canada" there is a breakdown of a barrel selling for $6.50. They point out that the amount paid in income tax for Alberta oil prior to the budget was 66 cents; under the budget it will be $1.96. For Saskatchewan income tax was 21 cents; it will now be $1.78. That is a very hefty intrusion by the federal government into the cost of a barrel of oil.

I do not think the minister can altogether avoid his responsibility by saying that whenever a particular section of the oil industry is having difficulty the answer is that it should go to the provincial government and ask for a reduction in royalties. As a matter of fact much of the difficulty that we are having now with respect to the oil industry is because in his recent budget the Minister of Finance introduced a provision whereby royalties paid to the provinces were no longer deductible for income tax purposes. The result of that has been that oil companies are now being asked to pay taxes on an expenditure, something that just has not happened in any other area of the economy.

I sometimes get the feeling that the Minister of Finance and Minister of Energy, Mines and Resources are not playing on the same team. One seems to be pulling one way and the other is pulling in the opposite direction. I think the first ministers' conference which took place last week would at least have had a reasonable chance for success had the heavy hand of the Minister of Finance not intruded to the point where the provinces felt they could no longer either trust the federal government or expect from it any degree of fairness and equity. I express the hope that if on re-examination some of the oil companies in Saskatchewan, where they are handling medium and heavy crude oil with a very high sulphur content, can be reclassified, this is something that should be considered.

With respect to the amendment I agree with what was said by the hon. member for Peace River. When I read clause 12 I was exceedingly perturbed. I recognize—and the explanation of the minister has clarified the point for me—that there is a need for flexibility. I know something of the situation in British Columbia where much of our oil goes across the line, is refined, and brought back again. We depend on Vancouver Island for bunker C, for example, which is processed in the State of Washington. It comes through the Trans Mountain Pipe Line, is shipped across to the United States and then is returned to Canada. So I do not quarrel with the need for flexibility. I agree with the minister's explanation that flexibility is required, both with respect to retroactive exemptions and with respect to making rebates in certain instances.

I am not sure that the amendment proposed by the minister is a very satisfactory solution. It will be better than nothing at all, but we have had some unfortunate experiences with respect to rebates, as the minister will recall. I remember it was only a few years ago when a rebate was made to the Ford Motor Company of Canada of $75 million. I think we spent days and days in the House trying to find out why it received this remission, a very substantial sum of money. I recall that none of the other automobile companies received this concession.

Recalling the extent to which the public accounts committee seems to have difficulty in getting data and is always operating on accounts that are 15 to 18 months old, I am somewhat fearful that the amendment that the min-

ister has proposed is going to meet the situation. I should like the minister to let the clause stand until we meet again so as to see whether he can find some more satisfactory way.

A number of things could be done. There might be a provision that all remissions that are made shall be tabled in the House within 15 days of the House meeting or, if the House is meeting, that they be tabled immediately after coming into the possession of the minister, and then referred to the public accounts committee. It seems to me that this would promote more publicity than merely sending these reports, dealing with what could be very large sums of money, to particular individuals or companies. First of all they should be public knowledge, published in the annual report of the National Energy Board, or tabled in the House within 15 days of the sitting of the House and referred to the public accounts committee. In this way not only the members of the public accounts committee but all members of the House would have an opportunity to see how large these sums are, and to whom they have been remitted.

I also think they ought to be categorized, with some explanation of why the rebates have been granted. Without casting any reflection upon the minister, which is the last thing I would want to do, the fact remains that this could become a gigantic boondoggle. I am sure the minister would not condone that, but the fact is we are passing legislation that is not just for this minister but for any minister of any government that may sit on the treasury benches. We should be extremely careful when we give the government power by order in council to pay back millions of dollars, certainly hundreds of thousands of dollars, and to exempt certain companies or persons from the payment of thousands of dollars. Surely there should be every possible safeguard so as to make sure there is no favouritism or any squandering of public funds. I suggest the proposed amendment could be strengthened very considerably.

Mr. Ritchie: Would the minister clarify whether this clause applies in any way to offshore oil that is refined to any extent in Canada, presumably eastern Canada, and then exported to the United States or some other country? I believe a certain volume is handled in this way. Is the oil in any way liable to tax, does the tax have to be rebated, or does this clause apply in any way to that type of transaction?

● (2140)

Mr. Macdonald (Rosedale): Madam Chairman, under this part we are dealing with Canadian source oil only. The kind of situation the hon. gentleman has in mind does arise in succeeding clauses of the bill which deal with the import compensation or the recovery of compensation when the product is re-exported.

I would be glad to accept the suggestion of the hon. member for Nanaimo-Cowichan-The Islands to take a more elaborate look at this amendment to Clause 12, and unless other members have a wish to comment on this I would suggest that we stand that clause and move on to the next one.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Baldwin: I have just one brief comment on that, Madam Chairman, and this applies to one of the reasons I was probably a little more willing to accept the clause than the hon. member for Nanaimo-Cowichan-The Islands, although I certainly agree with him that it would be preferable to go the whole mile. We at least have an advantage under the Statutory Instruments Act, and the minister might look at this, in that an order in council of this nature must be one made public, and all orders in council now stand automatically referred to the Joint Committee on Statutory Instruments, which provides the members of this House and the other place an opportunity to examine the orders in council. That committee has the duty to examine all these orders in council to see that they are in accordance with the act. This is a little extra assurance, and I would suggest the minister have a look at this as well when he is considering whether this clause can be improved by the suggestion made.

The Assistant Deputy Chairman: Is it agreed that Clause 12 stand?

Some hon. Members: Agreed.

Clause 12 stood.

On Clause 13—*Monthly Return of Export Sales.*

Mr. Macdonald (Rosedale): Madam Chairman, Clause 13 is an administrative provision which stipulates that persons required to pay the charge must each month make a return to the National Energy Board showing their exports of oil for the last preceding month, and they must pay the charge in respect thereof not later than the last day of the first month succeeding that month in which the exports were made. I would like to suggest an amendment to this provision which was proposed to me by the National Energy Board and really follows in the form of Section 55 of the Excise Tax Act, with the exception that "board" is substituted there for the word "minister".

The intent of the amendment is to provide a mechanism of alteration in the matter of time. There may be circumstances in which it is impossible for a person to comply within the strict time required in Clause 13(1). This provision or amendment provides the means of controlling the extension of the time limit. I see that the Minister of State for Urban Affairs is waiting patiently to move this amendment. Before the minister does that perhaps I should read the amendment into the record, as follows:

That Bill C-32 be amended by adding thereto, immediately after line 43 on page 6 thereof, the following new subsection:

"(4) The Board may, before or after the day prescribed by subsection (2), specify in writing a later day for the filing of a return or the payment of the charge or any portion thereof; and when the Board has specified a later day

(a) no penalty shall accrue or shall be deemed to have accrued under subsection (3) prior to such later day in respect of default in payment of the charge or portion thereof for the payment of which the later day was specified; and

(b) failure to pay, on or before the later day, the charge or portion thereof for the payment of which a later day was specified constitutes a default for the purposes of subsection (3)."

I see the Minister of State for Urban Affairs rising to move this amendment.

Mr. Danson: I so move.

The Assistant Deputy Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. Danson) agreed to.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Madam Chairman, I just wanted to know whether the Minister of State for Urban Affairs wanted to speak on this.

Mr. Danson: I think the words of the amendment express exactly what I was going to say, Madam Chairman.

Mr. Ritchie: Madam Chairman, I should like to ask the minister whether the oil industry is such that in almost every case the exporter will have his returns accepted, except in rare circumstances? Is the financial pattern of the industry such that the amount is paid monthly following the sale, or does the exporter tend to incur carrying charges, or does he tend to pay the government ahead of time?

Mr. Macdonald (Rosedale): Generally speaking, the first suggestion has been the prevailing practice.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Chairman, to be consistent let me register my caveat in respect of Clause 13. When this exporter happens to be the government of a province I foresee great difficulties in applying this clause, unless the consent of that provincial government to be so penalized is obtained. I would like to register this caveat, as I have done on previous clauses.

Clause 13, as amended, agreed to.

On Clause 14—*Debts to Her Majesty.*

Mr. Macdonald (Rosedale): Madam Chairman, we have already discussed Clause 14, making the charges and penalties payable under the act. Debts are recoverable by civil process, and sub-clause (2) provides for the incorporation by reference of procedures under Section 52 of the Excise Tax Act, *mutatis mutandis*, in this statute. Section 52 has 15 sub-sections covering procedure, and this really represents the draftsman's shorthand.

Mr. Baker (Grenville-Carleton): Madam Chairman, I take it there are alternative procedures for collection under this clause? These are alternatives available to the Crown, is that right?

Mr. Macdonald (Rosedale): The alternative procedure is rather lengthy. As I said, there are some 15 subsections under the Excise Tax Act. Subsection (1) in fact declares the charges to be civil debts, and then subsection (2) provides a rather elaborate procedure under the Excise Tax Act whereby the sums payable and charged, *mutatis mutandis*, including penalties may be recovered at any time by an action in the Exchequer Court, which in fact now is the Federal Court of Canada, and it sets out the procedures there.

Mr. Baker (Grenville-Carleton): I confess that I am not aware of the provisions of the Excise Tax Act, but is there provision for imprisonment for debt?

Mr. Macdonald (Rosedale): There is provision for recovery. The penalty may be set for prosecution and recovery with costs by the Attorney General of Canada. There is no provision as far as I can see, and I feel there is none, for imprisonment in that regard. This is really a civil recovery as though it were a debt due under contract.

Mr. Lambert (Edmonton West): Would the minister tell the House how he would propose that the Government of Canada could institute a levy and restraint against a provincial government if the provincial government were the owner of the asset?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I can tell you.

● (2150)

Mr. Lambert (Edmonton West): There is no purpose in providing for something that cannot legally be done. You cannot restrain from rent because there are no rents due here. You may try to obtain a judgment in the Federal Court of Canada and then, on refusal of the provincial Crown corporation to pay, the matter would be pursued through a court, through the sheriff in a province, because there is no way the minister could move directly himself. The minister would have to proceed through the sheriff of the judicial district where there are assets, either of the province or the Crown corporation, for a levy in execution in satisfaction of the unsatisfied judgment. I would invite the minister, as a lawyer, to tell me how he would proceed.

Mr. Macdonald (Rosedale): There would be difficulties in certain respects. However, there is no difficulty in proceeding through the Federal Court and having this progress to the state of there being a judgment debt. I think one of the more probable ways of proceeding would be as provided by subsection 9 of section 52, in which it states that where a person is indebted to Her Majesty under this act the minister may require their attention by way of reduction or set-off by such amount as the minister may testify, that is, any amount that may be or become payable to such person by Her Majesty.

The nature of the thing is that there are inclined to be accounts running in both directions, and therefore a set-off. I am not sure of any practical example, but I referred earlier to the case of the customs duties or excise taxes which are now being payable by a provincial Crown. The federal Crown is not without remedy in this regard.

Mr. Lambert (Edmonton West): I would call that an invitation to war.

Mr. Baker (Grenville-Carleton): I know the minister is concerned in respect of the answer he gave about the remedy he is seeking, especially when the agency may be a Crown agency or when the federal Crown may be proceeding against a provincial Crown. The hon. member for Edmonton West mentioned the matter of one aspect of collection. There is of course the second aspect which would be levy and execution in the usual way. I have a question in my mind as to whether that is applicable in the circumstances. Again there is the whole matter of garnishee in respect of collection, and whether or not that is applicable in terms of the Crown. I know the hon. member for Edmonton West is not suggesting, and I am not suggesting, that the federal Crown should be in itself

without remedy when under the laws of Canada something has occurred, or a lawful debt has not been paid, provided it has been incurred properly.

I am not suggesting that the federal government ought to be without remedy, but I wonder in the circumstances, particularly in view of this long section and in view of the minister's answer to the hon. member for Edmonton West, whether he would consider standing clause 14 for the moment so that we may see just what these remedies are. I think it is important in the federal-provincial balance we are talking about. The hon. member for Edmonton West referred to it as a possible declaration of war. I do not know whether that is right, but it is important that there not be involved in any statute a reference to a remedy in which there is some doubt that the federal Crown could act when dealing with a provincial Crown or its agency.

I want to emphasize that I am not suggesting the federal Crown should be without some remedy, but I want to ensure that there is a real remedy. If I may put it as kindly as possible, I believe the minister equivocated in his reply in respect of the question. I would ask the minister whether he would consider standing this clause. I am sure it could be dealt with quickly at some future time. Perhaps it could be stood, unless the minister has some references with which he could satisfy the House now.

Mr. Macdonald (Rosedale): I see no purpose in standing it. There is a long standing procedure in respect of provincial governments and Crown corporations with regard to the Excise Tax Act. It has been established for a long time, since the 1926 appeal case that the provincial Crown is under this particular obligation. I think it is a fair judgment to make that on the whole provincial governments and provincial Crown corporations have a good credit rating; they have paid their debts. The hon. member for Edmonton West in his comments used the expression "an act of war". If it is an act of war the *causus belli* would have been the non-payment of the due debt by the provincial corporation.

Mr. Lambert (Edmonton West): Possibly the levy.

Mr. Macdonald (Rosedale): Well, the Government of Canada of course is acting fully within its powers as in the Excise Tax Act, and it seems to me that the procedure is long established. There are some practical difficulties in applying some of the remedies. The remedies of collection, as the hon. member knows, whether we are talking about an individual, a corporation or a Crown corporation, vary in their availability from time to time.

The Assistant Deputy Chairman: Shall clause 14 carry?

Mr. Lambert (Edmonton West): On division.

Clause 14 agreed to on division.

On Clause 15—*Deductions and refunds.*

Mr. Douglas (Nanaimo-Cowichan-The Islands): In clause 15(1)(b) it says, with reference to deduction or refund, that this can be made "where the charge was paid in error." I notice that in clause 13(3) where money is owing the Crown in the right of Canada one can have a one per cent payment for default. Do I assume that where a remission is made for over-payment the same one per cent will apply, or will it operate in the same way as the income tax department where if you owe any money you pay interest and, if they owe you money, you receive nothing?

Mr. Macdonald (Rosedale): What we have here under clause 15(1) are the two cases of payment due to mistake of fact and payment due to mistake in law. In both cases there is provision for a refund. I have to say there is no provision for interest running on an overpayment. On the other hand, the over-payment of mistake of course is a mistake on the part of the exporter who will have overpaid in the first instance.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It does not say that.

Mr. Macdonald (Rosedale): Well, he first determines his liability and the mistake initially would be his.

The Assistant Deputy Chairman: Shall clause 15 carry?

Mr. Hamilton (Qu'Appelle-Moose Mountain): On division.

Clause 15 agreed to on division.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—NEED FOR ICEBREAKERS IN NORTHWESTERN ATLANTIC—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, I appear tonight to follow up on my question of April 15 to the Minister of Transport (Mr. Marchand). My concern is as a result of the bill inadequate icebreaker service. Although my main and specific concern is with regard to my particular district of western Newfoundland, the need exists throughout the region.

● (2200)

This is an annual and persistent problem that I bring to the attention of the government every year. Certainly I have brought it to its attention most of the almost seven years I have had the pleasure to be here, but all I receive is the usual answer that the government will do something about the problem sometime in the future. In this case the minister replied that the government will build more icebreakers when it can pay the bill.

I want to make it clear that I have no quarrel with the officials responsible for the development of icebreakers.

They can only do what they can with the equipment on hand. I realize what they must experience when fishermen, port authorities, or freight handlers want their needs fulfilled on a priority basis.

At this very moment the lobster fishing season is about to open in district 11 on the west coast of Newfoundland. As a matter of fact, it opens on Sunday. Further along the coast the season opens May 5. Both these districts include an extended area along the whole of the west coast. They provide for many hundreds of fishermen a livelihood, or at least a large portion of their annual income.

I was surprised when the minister facetiously indicated that the government will provide more icebreakers when it can pay the bill. Through his parliamentary secretary I can tell him with the greatest respect that the bills and compensation fishermen and governments have had to pay over the years as a result of losses to lobster gear and other fishing gear due to ice conditions would have much more than paid the bill required to provide a reasonable and adequate icebreaking capability. It is still the old old story of the apathetic approach Canada takes to the fishing industry. I wonder what will happen over the next two or three months as a result of the lack of protective policy for fishermen. Will we have the same battle, when losses are suffered by fishermen, in trying to recover for losses? The season will again have to start late, with the resulting loss of income to fishermen. The same merry-go-round will persist to the frustration and discouragement of Newfoundland fishermen.

This problem focuses attention on the related need for implementation of an income support program. I was surprised to hear the Minister of State for Fisheries (Mr. LeBlanc) indicate that it will be another couple of months before it can be put into affect. I feel that he forgot to indicate that the introduction of an income support program is dependent upon the completion of the licensing program now in affect. If that is a fact, the minister's optimism, at least to my mind, leaves some doubt.

Returning to the main topic of my question, I appeal to the minister that some meaningful effort be made to determine icebreaker needs in collaboration with the efforts of the environment department and the fisheries department in a closely co-ordinated plan to provide an adequate icebreaker service which will support a fast deteriorating fishing industry, something which is the result of this lack of support.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) makes reference to a reply given by the minister on April 15, and if I understood the hon. member correctly he implied that the minister was expecting fishermen to pay the bill for the icebreakers. He shakes his head in disagreement. I hope he does disagree because, in reading the minister's reply, that certainly is not what he said or meant.

I think the hon. member is well aware of the cost involved in supplying icebreakers and the fact that costs in this particular area, as well as other areas in the last few years, have gone up dramatically. I think that is exactly what the minister was referring to in his remarks.

I am sure the hon. member knows Canada has been and continues to be in the forefront in icebreaking technology with regard to hull designs, propulsion systems and techniques of this kind. The ministry has at its disposal about 25 icebreakers, and it is intended to begin building two more this year. Study is under way as to the possibility of a third and larger one.

I might also point out to the hon. member—and this may have some eventual possibilities for the Newfoundland coast—that last winter the ministry conducted very successful research into the use of air cushion vehicles to break up ice. They have broken up ice of quite a thickness. That is the kind of research that is new not only to Canada but to the world.

The hon. member asked on April 15, 1975, what actions were being taken with regard to the specific conditions in his area. As of yesterday the department informed me that all the requests for icebreaker support on the west coast of Newfoundland have been answered. There have been no complaints due to lack of support reported to the ministry. The hon. member may have different reports but, if so, our staff has not seen them.

I am advised that ice has been broken by the *Louis St. Laurent*, the *Sir William Alexander* and the *Labrador* in 12 different harbours on Newfoundland's west coast this spring and that, generally speaking, ice conditions are far better this year than they were last year at this time. That may not be of much consolation to the hon. member, but I believe the coastguard is doing and will continue to do everything it can to help shipping and to develop the kind of technology that would put in service more icebreakers, or more air cushion vehicles, or whatever, to accommodate this area.

CANADIAN BROADCASTING CORPORATION—SUGGESTION STANDING COMMITTEE QUESTION MR. JOHNSON PRIOR TO CONFIRMATION AS VICE-PRESIDENT

Mr. Joe Clark (Rocky Mountain): Madam Speaker, on March 24 I asked the Secretary of State (Mr. Faulkner) if he would make a reference which would allow the Standing Committee on Broadcasting to question Mr. A. W. Johnson prior to the confirmation by the government of his appointment as executive vice-president of the CBC. That request was refused. On April 3 the Prime Minister (Mr. Trudeau) announced the appointment of Mr. Johnson to the position, with the very generally accepted understanding that Mr. Johnson will rise to the presidency of that corporation by 1976.

There are three reasons why I want to discuss this question on the adjournment motion tonight. The first has to do with the very serious continuing uncertainty about who determines the mandate and responsibilities of the CBC on a day to day and year by year basis. I realize there is the statute, but there are also various agencies which are expected to have that power and there has been confusion among them. We are all aware in this House of the celebrated conflict between the CBC and the CRTC. The board of directors of the CBC do not know what their mandate is, where it stops and starts. The standing committee of the House of Commons is similarly in the dark. The question of who is to be interpreting the mandate of the CBC and keep it in touch with Canadian requirements needs to be clarified.

The second matter is the general question of why important public appointments have to be made in private. The CBC is important to the nation; it can help to unify us or fragment us. Mr. Johnson himself has said, and I paraphrase him, that it is the most important national institution after parliament. Yet the public had no role in determining what action and what set of ideas is going to guide the future of that institution, nor did parliament have any role in the decision. Parliament was explicity excluded from taking any part at all in even questioning the man who would assume the role. I think it is fair for us, as members of parliament, to ask whether the best man was appointed; whether Mr. A. W. Johnson, for all his qualifications—and I recognize them—is the best man to serve that very important institution at this time in Canada.

Since others have spoken and written in other places of his qualities, let me speak about the weaknesses that should have been examined by the standing committee. For one thing his whole experience has been as a professional public servant. He has served in that rather rarified atmosphere in Regina, Saskatchewan, and Ottawa for almost 30 years. By his training and background he is skilled in compromise but not skilled in innovation. There are those who would argue that innovation is needed in the CBC. He has absolutely no broadcasting experience. He has no particular background in other media or in artistic fields which would help a president of that corporation.

One has to pay some heed to the observation of the Canadian journalist, Christina Newman, who in an article in the *Globe and Mail* wrote that one of the reasons for this appointment:

● (2210)

... has to do with the ways in which he's unselfishly paid his dues to Liberal régimes for the past 10 years.

Christina Newman there was referring not to partisanship in the normal sense, not to partisanship to a party, but very much to partisanship to a narrow view of Canada, a view which happens to be shared by the Prime Minister (Mr. Trudeau) and others close to the Prime Minister, such as the Minister of National Health and Welfare (Mr. Lalonde). It has become well known that the major reason for Mr. Johnson's appointment to this highly sensitive position was that he learned to get along well with people like the Minister of National Health and Welfare and the Prime Minister and shares their views about this country.

His appointment is but the most recent in a series of appointments to important public positions of people who happen to share the view of the Prime Minister of Canada, who happened to share the Prime Minister's views on this diverse nation. I, for one, representing a region and being an individual, do not share that point of view. I think there is a danger in loading the top command positions in Canada with people who have a very particular and certainly not universally held view of the nature of the country. Mr. Johnson joins Mr. Michael Pitfield and the ranks of new deputy ministers who were appointed by the Prime Minister on the pretext they are modern, but who in reality were appointed because they share the Prime Minister's particular view of the country. It might even be suggested that this was the mode of choice of those people who were among the most recently appointed to the Supreme Court of Canada.

So here we have a situation where the command positions in a country that is marked by its diversity are held by people whose personal view is strongly centralist and who seem, on their record, to undervalue the diversity which, in my view, must be nurtured if this very diverse country is to survive. This is true of the CBC. All we know of this man who was appointed in privacy is what we read about him. If it is true of the president to be of the CBC, the situation is particularly dangerous with regard to that corporation which can unify this particular, peculiar country only by reflecting its diversity.

These are reservations which I, as a member of parliament committed to the independence, survival and thriving of the CBC, would have preferred to express before the confirmation of the appointment of Mr. Johnson. But we were not given that opportunity. Instead, we were told that it was none of the business of parliament to look into the ideas of the kind of man who is going to guide the Canadian Broadcasting Corporation for the next seven years. I think that was an unfortunate development and an unfortunate precedent. That was the second of my reasons for wanting to raise this question tonight.

My third reason has to do with parliament itself. If the responsible standing committee of parliament, the Standing Committee on Broadcasting, Films and Assistance to the Arts, which passes and approves the estimates of the CBC, cannot even question the man whose personal opinions, stemming from his personal background, are going to guide what he calls the second most important national institution, for the next seven years, what can we do? I think this is a particularly important question to ask now, since so much of the power to affect the decisions of parliament has been accumulated by the treasury benches and taken away from the committees.

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Madam Speaker, the views expressed by my hon. friend, the hon. member for Rocky Mountain (Mr. Clark), are well known to my minister, to the Standing Committee on Broadcasting, Films and Assistance to the Arts and, indeed, to the whole House. On March 27 the Secretary of State (Mr. Faulkner) responded to a letter from the hon. member through which he supported the views expressed by the President of the Privy Council (Mr. Sharp) on March 11, 1975, in this House during question period.

Further, Madam Speaker, a motion was put to the Standing Committee on Broadcasting, Films and Assistance to the Arts to whom the hon. member had been referred by my minister, a motion which would have directed the chairman of that committee to request the government to make a reference which would have allowed the committee to question the government nominee for the position of executive vice-president of the CBC prior to the confirmation by the government of this nominee. The proposed amendment, Madam Speaker, was negatived.

The Acting Speaker (Mrs. Morin): The motion to adjourn to the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 o'clock a.m.

Motion agreed to and the House adjourned at 10.17 p.m.

HOUSE OF COMMONS

Friday, April 18, 1975

The House met at 11 a.m.

ORAL QUESTION PERIOD

[*English*]

Mr. Stanfield: Mr. Speaker, I have a question for the Acting Minister of Finance, but perhaps I could defer it if he will be in the chamber later.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Cannot something be done about having ministers here when the question period starts.

Mr. Speaker: Order, please.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—POSSIBILITY OF MEETINGS BETWEEN MINISTER AND UNITED STATES COUNTERPART

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce—who is about the only minister present—about the auto pact.

An hon. Member: There are at least five people on the front benches.

Mr. Lawrence: Would the minister be good enough to inform the House if he or his department have applied for or scheduled any meetings with their United States counterparts with respect to the auto pact.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, discussions go on from time to time between officials of the two governments but no date has been set for any meeting between myself and my opposite number in the U.S.

Mr. Lawrence: A supplementary question, Mr. Speaker. Can the minister tell us if he intends to arrange for any top level meeting with his U.S. counterpart with respect to the auto pact and the problems we in this country are obviously facing in the auto industry.

Mr. Gillespie: Mr. Speaker, no meeting has been scheduled at present.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. I wonder if we could obtain either from the Prime Minister or the government House leader information as to whether the Minister of Finance will be in the chamber for the question period.

● (1110)

Mr. Trudeau: Mr. Speaker, the Minister of Finance is in the Middle East so he will not be here for the question period. The Acting Minister of Finance is in Vancouver at the opening of the Lester B. Pearson College of the Pacific, I think it is. The Minister of Regional Economic Expansion is second acting and we have the excellent parliamentary secretary, the hon. member for Sarnia-Lambton, who is also here.

* * *

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF GOVERNMENT PLANS TO RESTRICT PROFIT GROWTH

Mr. Edward Broadbent (Oshawa-Whitby): Being in a mood of profound optimism, I will address my question to the Prime Minister. It concerns the economic plan of the Minister of Finance that we are presumably going to be presented with one of these days concerning levels that the government considers acceptable for incomes, profits and so on. Will the Minister of Finance, in his forthcoming discussions with the leaders of the trade union movement make clear to them and to members of this House, preferably in advance of that, what position the government is going to take concerning profit levels in the economy? I ask this specifically because the rate of growth of profits, as documented in the most recent report of the Food Prices Review Board, increased by some 100 per cent between 1972 and 1974 and salaries and incomes in the same period increased only by about 50 per cent. Does the government plan to outline in its proposals a method of restricting profit growth and bringing it back to a much more acceptable level?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance, and other ministers engaged with him in this process of consultation and consensus seeking, are talking to various sectors of the economy and putting to them suggestions for restraint. Of course, such suggestions have been made to the employment side.

INFLATION—GOVERNMENT PLANS TO AID UNORGANIZED WORKERS TO GET APPROPRIATE RATE OF INCREASE

Mr. Edward Broadbent (Oshawa-Whitby): Considering that the vast majority of Canadian workers are not members of the trade union movement and therefore have little or no bargaining strength in the economy, and assuming that the government's program gains widespread accepta-

bility, and I have my doubts about that, are there plans available so that the unorganized workers in Canada will be able to get even that rate of increase which the government may think is reasonable?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the statement the Minister of Finance made at the federal provincial conference, a copy of which was tabled in the House by his excellent parliamentary secretary, it was indicated that the government had concern for the weaker sectors of the economy and those parts of the labour movement that are not organized and that there are provisions for a certain form of catchup for those who have fallen behind. I think the hon. member will see that the government is very concerned about getting greater equity for all parts of the economy.

Mr. Broadbent: Without doubting the concern expressed by the Prime Minister, the fact is that concern will not be translated into action for unorganized workers unless there is some specific mechanism to give them power in the economy to make that possible. Does the government have any plan to give the unorganized workers the effective strength to secure the increasing level of income to which they are entitled?

Mr. Trudeau: The hon. gentleman is asking a question which has to do with the extent of union organization in the country. This government has always taken the position that unionization should be encouraged and union ranks increased. As to whether the government has any specific mechanism in mind for dealing directly with unorganized workers, obviously not, because we have no precise hold on them. The market economy has always, of course, to face this problem; the hon. member knows that when salaries and wages go up they tend to follow in the unorganized sector. Indeed, very often they precede in the unorganized sector.

* * *

[*Translation*]

AGRICULTURE

BEEF AND VEAL COMMISSION—ALLEGED CONFLICT OF INTEREST OF COMMISSIONER

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Agriculture about the federal commission of inquiry on beef and veal prices.

Does the Minister of Agriculture know that the commissioners give rise to obvious conflicts of interest since Mr. Maxwell Mackenzie, who is a member of the commission, is one of the directors of International Multifoods, Mrs. Lydia Patry-Cullen comes from Steinberg Limited and there is only one cattle breeder sitting on that Commission? Can the minister assure the House that the commission will really uphold the interests of Canadian consumers and not those of producers or chain stores?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): The members of this commission, as far as I know, are honest individuals. They come from different walks of life and add their knowledge to the commission so that evidence which is presented can properly be weighed. I have no doubt as to the integrity of those who make up this commission.

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THE CANADIAN ECONOMY

INFLATION—PROPOSED MEETING OF UNION LEADERS CONCERNING CONSENSUS ON RESTRAINT—POSSIBILITY OF MEETINGS WITH OTHER GROUPS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister or for the acting Acting Minister of Finance or for the excellent Parliamentary Secretary to the Minister of Finance as they may see fit. Can we get any confirmation with regard to the reported meeting of major Canadian union leaders on May 7 to make a decision with respect to the acceptance or rejection of the so-called consensus program? Can any of those three gentlemen I have mentioned give the House any details or information about this prospect?

Right Hon. P. E. Trudeau (Prime Minister): I have been informed of the meeting but according to my understanding it is a meeting of labour leaders themselves to decide what response to give to the representations and suggestions made to them by the Minister of Finance, the Minister of Labour and other ministers. It is not something in which the government is directly involved.

Mr. Stanfield: Can the Prime Minister or either of the other two gentlemen indicate whether meetings of the other interested groups, the business element, for example, are scheduled for the same purpose, that is, to make decisions with regard to the consensus program and, if so, approximately what dates are likely?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, Mr. Speaker, the process outlined by the Leader of the Opposition is the one which is being followed. I saw the item this morning with regard to the meeting which is to take place on May 7. I suspect this meeting has been scheduled in anticipation of discussions which will precede it among various groups within the labour movement; that is the meeting at which, presumably, they will discuss the results of the earlier meetings. The same sort of exercise will be carried out by other groups in the economy.

INFLATION—GOVERNMENT EFFORTS TO HAVE PROGRAM DEVELOPED THROUGH CONSENSUS SEEKING ACCEPTED BY ALL GROUPS

Hon. Robert L. Stanfield (Leader of the Opposition): A final question to the Prime Minister who presumably believes that he and his government are putting forward a sound and equitable program to restrain inflation, one which is important to the welfare of our country and our citizens. I should like to ask the Prime Minister whether he will make a personal effort to persuade the principal groups in our economy on the labour and business side, before they take decisions, to accept the program that the government has developed in co-operation with them and which the government is putting forward.

• (1120)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have earlier in this process met with groups of labour leaders and groups of business leaders and I have done precisely what the hon. leader suggests I do.

INFLATION—GOVERNMENT POLICY ON RELATIONSHIP BETWEEN CANADIAN AND UNITED STATES DOLLAR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a supplementary question for the Prime Minister. Preparatory to the hoped for consensus on an anti-inflationary program, would the Prime Minister indicate whether it is government policy that the Canadian dollar should be allowed to drift down and remain at the 96 cents to 98 cents level in terms of the United States dollar?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is Canadian policy that the dollar respond to market forces and that any intervention by the governor of the bank would be only to assure that the float does not have any—

Mr. Stanfield: —dirt in it.

Mr. Trudeau: —any dirt in it.

Mr. Stevens: Mr. Speaker, further to the Prime Minister's answer, in view of the anti-inflationary consensus discussions and negotiations, would the Prime Minister indicate whether it is at least government policy to counter any further fall in the Canadian dollar, which would at least partly maintain relatively cheap imports in the country and which would in turn be an anti-inflationary measure itself?

Mr. Trudeau: I repeat, Mr. Speaker, the policy of the government is that the Canadian dollar is left free to float and respond to market forces.

INFLATION—SUGGESTION BANK OF CANADA SHOULD RESTRAIN INCREASE IN MONEY SUPPLY

Mr. Sinclair Stevens (York-Simcoe): A further supplementary question for the Prime Minister, again with the background of our discussion on consensus and anti-inflationary programs. With our money supply having jumped three times as fast under the present Minister of Finance as under his predecessor Mr. Benson, would the Prime Minister take this opportunity, with the Minister of Finance out of the country, to inform the Bank of Canada that any future money increases should be more restrained, and thereby set the framework for a truly anti-inflationary program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance had occasion to answer the hon. gentleman on a question along the same lines a couple of weeks ago, and I remember remarking on the selective statistics of the hon. member.

Oral Questions

COMMUNICATIONS

VIOLENCE ON TELEVISION—EFFECT OF APPOINTMENT OF ONTARIO COMMISSION ON PROPOSED CRTC HEARINGS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the Minister of Communications. Now that the government of Ontario has taken the leadership role by the appointment of a royal commission to study violence on the media and its impact on society, may I ask the minister whether he is now prepared to fulfil an undertaking that he made to the House a week or so ago with respect to announcing a date for the holding of public hearings into this matter by the CRTC, or are such hearings postponed because of the appointment of the Ontario royal commission?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, without admitting the gist of the preamble to the hon. member's question, and although I have never agreed to indicate a date to the House, this decision not being my responsibility but that of the autonomous corporation called CRTC, the reply to the question asked by the hon. member who, yesterday, was kind enough to give me advance notice of it, is as follows: I have contacted the Chairman of the CRTC who has advised me that the appointment of this royal commission by the Ontario government was too recent for him to have been able to assess its impact on the CRTC's own plan to have hearings on the subject plan which I had mentioned to the House, and that the CRTC needs to delve into this question a little deeper before deciding on a date or a postponement.

[*English*]

VIOLENCE ON TELEVISION—POSSIBLE REFERENCE OF SUBJECT MATTER TO COMMITTEE

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. In view of the indecisiveness of the CRTC in this regard, would the minister be prepared to consider bringing in a reference to the House to have this matter referred to the standing committee on broadcasting, or in the absence of such a reference would he be prepared to discuss the possibility of having the subject matter of Bill C-380 referred to that committee?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I feel that no reference is really necessary; the Committee on Broadcasting, Films and Assistance to the Arts has the authority to send for CRTC officials and ask all the questions it may care to ask this corporation when it appears concerning its yearly estimates.

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INDUSTRY

TEXTILES—FORM OF AID MINISTER INTENDS TO GRANT

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

Following his meeting yesterday with the Quebec Minister of Industry and Commerce (Mr. St-Pierre), can he tell us what specific, concrete and new steps, if any, his department intends to take in the near future, that is this month, to prevent other lay offs in the Quebec textile industry, or else, is he willing, very candidly, to admit to the House that he is helpless in the face of this situation?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I had a very useful discussion yesterday with the Minister of Industry and Commerce for the province of Quebec. We reviewed the state of the industry, as I have done with others including Liberal members of parliament who have made many representations to me in respect of the condition of the industry, and I have had discussions with the industry itself. I think it is quite clear that as a result of a turn down in the economy of Canada, and a turn down internationally, there is no quick and easy solution in the short term for this industry. As I said, we have taken a number of measures to ensure the security of this industry notwithstanding the difficulties of the present moment.

I have indicated to the House on previous occasions that we have accepted the recommendations of the Textile and Clothing Board. A team went to the Far East immediately following that announcement and made substantial progress in negotiating new restraints with those countries. At the same time we also placed polyester filament yarns on the import control list. They have been on for 30 days, and at the end of a further 30 days we will make our decision as to whether a surtax should be placed on imports of that product.

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EXTERNAL AFFAIRS

VIET NAM AND CAMBODIA—INQUIRY WHETHER AID OFFERED IN FORM OF FOOD OR CASH

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct my first question to the Acting Secretary of State for External Affairs for the purpose of clarification. He was in the House on April 10 when the Secretary of State for External Affairs answered a question in reference to aid going to the suffering, the hungry and refugees. In that reply he stated:

> Mr. Speaker, I would have to check on the specific organization but in these circumstances it is usually better to provide assistance in the form of cash.

Yesterday the minister answered the hon. member for Esquimalt-Saanich by stating:

> Mr. Speaker, I cannot speak specifically about the High Commissioner for Refugees, but I can say that the food aid and other aid Canada is providing to international agencies—

I should like that clarified. Is this aid going in the form of food or is it going in cash? Why in one circumstance should the aid go in cash to Viet Nam while the conflict is still going on, yet in the form of food when the conflict is over and the communists have taken over in Cambodia?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, the aid is going in both forms, food and cash. The international agencies asked Canada if it would put up part of its aid in the form of food and we complied.

FOOD GATHERED BY CANADIAN FRIENDS OF CHILDREN OF VIET NAM—GOVERNMENT AID IN DELIVERING

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I just follow up on that answer. At page 4671 of *Hansard* for April 10 the minister is reported as having said that he would check into the organization in Canada called the Canadian Friends of Children of Viet Nam in Toronto which has gathered together 100 tons of food, and I would ask if the minister or his department has now had a chance to do so. When I asked if that aid would be delivered the minister said it was only going in the form of cash. Has the minister looked into that organization, and is the government now prepared to see that this food gets to the people who need it?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, as I understand the circumstances of that particular case there was a relatively small amount of food involved. The sponsors tried to organize transportation but were having very great difficulty. When the government looked at the problem it came to the conclusion that it would be far better for this organization to provide cash rather than have the government put up the cost of moving that very small quantity of food, as the cost would far exceed the amount of aid involved.

Mr. Woolliams: Mr. Speaker, the minister has said that this 100 tons of food is a small amount. To follow up my question, let me bring the minister's attention to the fact that this organization in question named three commercial airlines which would fly the food to Hong Kong from which point a military charter could take the food into Viet Nam. Does the minister consider 100 tons of food a small amount, and has he or his department had any indication in reference to the planning that group carried out in respect of the transportation of that food, as this is somewhat of a contradiction to what he said a moment ago?

● (1130)

Mr. Sharp: Yes, Mr. Speaker. I did look into the circumstances as did the Department of National Defence which was asked to provide a plane for this purpose. I repeat what was said then that the cost of moving this food far exceeds the value of the food itself which is a very small amount in relation to the need or the quantities being provided by Canada under our official aid program.

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CANADIAN NATIONAL RAILWAYS

DAMAGE TO "S.S. PRINCE GEORGE" BY FIRE—REQUEST FOR REPLACEMENT VESSEL TO CONTINUE SERVICE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Transport regarding the *S.S. Prince George* which operated

between Vancouver and Juneau, Alaska, and which recently has been partially damaged by fire. In view of the fact that the CNR has indicated it may permanently discontinue the operation of this vessel, and in view of the fact that American vessels operate in the inner passageway and undoubtedly will pick up this traffic, will the minister be prepared to make a representation to the Canadian National Railways to continue this operation either by securing another vessel or by having the present vessel repaired and put back into service?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I believe the Canadian National intends to repair the vessel, at least temporarily, to continue the service this year, but the CN is convinced that its operation is not profitable; doubtless it will have to be convinced to build a new vessel if ever we want the service to be maintained. I am quite willing to take up the matter with the CN to see if it might not be possible to maintain it.

* * *

[*English*]

TRANSPORT

RECOMMENDATION IN DARLING REPORT COASTAL TRADE BE CARRIED IN CANADIAN SHIPS—GOVERNMENT ACTION TO IMPLEMENT—POSITION OF BRITISH COLUMBIA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister what progress is being made with regard to the recommendation in the first Darling report which the minister has had now for over two years which would require that by legislation all coastal trade be carried in Canadian bottoms similar to the provision contained in the Jones Act in the United States. When I asked the minister about this about a year ago he said he was waiting for consultation with the Premiers of the coastal provinces. I want to ask the minister whether he has had consultation with the premiers, what progress has been made and when we may expect legislation to implement this particular recommendation by the Darling Commission?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as I answered at that time I consulted with the Atlantic premiers. We discussed the impact it could have on the freight rates and we found agreement. If my memory serves me well, I think cabinet has given notice to the commonwealth countries that we were withdrawing from the commonwealth convention. If this should be done it means that by the end of the year the whole cycle will be completed.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that there is very heavy traffic on the Pacific coast and a good deal of coastal trade on the west coast of Canada, did the minister have any consultation with the Premier of British Columbia? Is it the intention of the government, once the proper notice has been served on the other commonwealth countries, to proceed with legislation applying to both coasts so that the recommendation of the Darling report will be fully implemented?

Mr. Marchand (Langelier): I had discussion, not with the Premier of British Columbia but with the minister responsible for transportation. One of the problems was that British Columbia wanted to know if we would consider both coasts as one coast, in other words if they would be compelled to use a Canadian ship to go say from Vancouver through the Panama Canal to the other coast. So we agreed that the west and east coasts would be considered separately.

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CANADIAN PACIFIC RAILWAY

INCREASES IN COMMUTER FARES—REQUEST FOR GOVERNMENT ACTION TO PREVENT

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the Minister of Transport. Is the minister aware of the outcry that has followed the announcement by Canadian Pacific Railway yesterday of major increases in commuter fares from Montreal and is he prepared to intercede immediately to stop the May 1 implementation date for this exorbitant public transportation fare structure?

Hon. Jean Marchand (Minister of Transport): Is it CP Air or CP Rail?

Mr. Herbert: CP Rail.

Mr. Marchand (Langelier): Well, I know that CP Air and Air Canada filed increases with the CTC this morning, too. I will make a special appeal, and will do it formally later today, to the companies to exercise certain restraint because I notice that some of the increases are really exaggerated. I do not see how it would be possible for the public to absorb that. I will surely meet with the companies and try to keep the increase as near the floor as possible.

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VETERANS AFFAIRS

REQUEST OF CANADIAN FORCES LONG PENSIONERS ASSOCIATION FOR ACCREDITATION OF ITS MEMBERS AS VETERANS—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Veteran Affairs. Could the minister indicate whether he has received a brief from the Canadian Forces Long Pensioners Association asking for accreditation as veterans in order to qualify for other benefits under the charter for which they do not qualify.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I have not received the brief but have received a copy of it. I suggest that it will be looked at by the various departments concerned and probably some attention may be given to it.

Mr. Marshall: Mr. Speaker, I have a supplementary for the Prime Minister. In view of the fact that the Canadian Forces Long Pensioners Association presented a brief to

the Prime Minister's office and, while possibly he may not have seen it, I am wondering whether he would exhibit his concern in the matter by asking that the Minister of National Defence and the Minister of Veterans Affairs co-operate in reviewing this matter so that these people would receive the consideration they deserve.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, first may I repeat that, although I do not know whether the brief has been received, I can assure the hon. member that every brief I receive gets the attention it deserves.

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NATIONAL PARKS

INCREASE IN ENTRANCE FEES—REQUEST FOR RECONSIDERATION

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development if he would be good enough to return to his chair. In view of the number of complaints the minister has received about the large increase he announced on entrance fees to our national parks, is he prepared to review his position and be more realistic in the amount of increases in these entrance fees.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, we looked carefully at this matter on several occasions and, as I indicated in the House before, even with these increases recovery represents roughly 17 per cent or 18 per cent of the total operating costs. We feel that a subsidy by the taxpayers at large of 82 per cent is still a very substantial subsidy and that asking the users to pay 18 per cent is not unreasonable.

Mr. Stewart (Marquette): Mr. Speaker, I should like to direct my supplementary to the Prime Minister. As the Prime Minister and his government have asked all Canadians to practice restraint, will the Prime Minister intervene and ask the minister responsible for our national parks to practice restraint and reduce the announced increases in entrance fees that run from 500 per cent to 1000 per cent.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this seems to be a representation or an argument.

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AGRICULTURE

POTATOES—SUGGESTED PROCESSING OF SURPLUS FOR USE IN FOOD AID PROGRAM

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to address a question to the genial Minister of Agriculture in reference to a statement by the Secretary of State for External Affairs to the effect that CIDA and the Department of Agriculture were co-operating in an effort to make better use of agricultural production for food aid needs. Can the minister advise if steps are being taken to carry out a crash program to process this country's surplus potatoes so that in a hungry world the outrage of wasted potatoes will not follow that of rotten eggs.

● (1140)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, even before the announcement was made we had discussions with the CIDA officials and the processing industry, to find out just how many potatoes could be processed which could possibly be used in aid programs. There are very few countries in the world where procedures for processing potatoes into flaked or powdered form can be carried out, and as to whole potatoes, there are no areas that we could find where they can be used in their original form. We have investigated all that, and the processing industry is being asked to process as many potatoes as they possibly can. I understand they are doing it, and our next step will be to find areas where those processed potatoes can be sent through aid programs.

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COMMUNICATIONS

CABLEVISION—POSSIBLE REQUIREMENT THAT COMMERCIAL MESSAGES ORIGINATING IN UNITED STATES BE DELETED—GOVERNMENT POSITION

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Communications. Is it to be the government's policy to require as a condition of licence renewal for cable broadcasters in Ontario that commercial messages originated in the United States be deleted from their programming and, if so, why?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, that was required of some cable broadcasters. It even led to legal proceedings and there is an appeal in one case. I could check but I do not think universal regulations applied to all cable television companies in Ontario. I shall inquire and report further to the hon. member.

* * *

[*English*]

CRIMINAL CODE

PROPOSED AMENDMENT PROHIBITING DISCLOSURE OF NAME OF ACCUSED UNTIL FOUND GUILTY—GOVERNMENT POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a question for the Minister of Justice. Considering that the minister has expressed an intention to amend the Criminal Code by bringing in an omnibus bill, can the minister please inform the House whether or not one of the amendments he will be proposing will be a prohibition similar to the one in section 467(1), whereby newspapers and broadcast media will not be allowed to publish or otherwise disclose the name of an accused person unless and until that person has been found guilty of a criminal act?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are only considering prohibiting the disclosure of the names of victims of rape.

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AIRPORTS

HALIFAX—REASON FOR DELAY IN CONSTRUCTION WORK

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I had a question for the Solicitor General but since I was recognized by you and the minister is absent from the House, perhaps I could direct another question to the Minister of Transport, since he was answering questions so generously today. Could he check with his officials to find out what is the reason for the apparent delay in the construction work at the Halifax airport because if the delay continues it seems to me that the pyramids of Egypt were built at a much faster pace than the one at which the construction work is being carried out.

Hon. Jean Marchand (Minister of Transport): I will certainly inquire, Mr. Speaker.

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TRANSPORT

CROWSNEST PASS RATES—REQUEST FOR ASSURANCE NO CHANGE MADE WITHOUT CONSULTATION WITH PRODUCERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the right hon. Prime Minister. It results from his reply to Premier Blakeney in Saskatchewan following the resolution which was passed regarding the possible removal of the Crowsnest Pass rates in which he stated that the government will not make changes in the transportation field that cannot be shown to be of significant benefit to the people of Saskatchewan. Since the Minister of Justice has already thrown out suggestions that grain producers might be compensated directly through schemes other than through the Crowsnest Pass arrangement, would such a plan be sufficient to cause the government to consider the removal of the Crowsnest Pass agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the telegram speaks for itself and it answers the question put by the hon. member.

Mr. Korchinski: Is there a study presently being conducted which might produce a plan other than the Crowsnest Pass arrangement to compensate wheat producers?

Mr. Trudeau: Not that I know of, Mr. Speaker.

Mr. Korchinski: May I ask a final supplementary question, Mr. Speaker? Can the Prime Minister say whether the absolute approval of grain farmers will be necessary before the Crowsnest pass agreement is tampered with, even though other groups might favour such a removal?

Mr. Trudeau: I did not hear the hon. member. The absolute approval of what group?

Mr. Korchinski: Of grain producers. Would the absolute approval of grain producers be necessary before the Crowsnest Pass agreement is tampered with, even though other groups may favour such a removal?

Mr. Trudeau: It is a completely hypothetical question.

DREDGING—GOVERNMENT PLANS TO DO WORK WHEN COMPANIES INVOLVED UNDER INDICTMENT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the fact that the dredging season in Canada is just about to begin and that there are a number of jobs to be carried out, both large and small, and most of the companies involved are now under indictment, has the Prime Minister or any member of his government evolved a policy to have this type of necessary dredging, in land and on the sea board, carried out? Can he say also what security will be provided and to what extent the requirements of the work can be completed, particularly in view of the unusual situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Public Works answered a similar question a few weeks ago. I will refer to it to see whether anything can be added to what he said then.

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[*Translation*]

INDIAN AFFAIRS

JAMES BAY HYDRO PROJECT—REPORT ON ENVIRONMENT—EFFECT ON NATIVES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development.

On last March 24, a group of experts published a report on the environment concerning the James Bay power development. Could the Minister of Indian Affairs and Northern Development say whether experts in his department studied the report and whether he intends to make recommendations to the Quebec government to protect the environment and avoid as much as possible future complications in that vast territory?

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, our officials are certainly aware of this report. Its contents have been made well known to the Indian and the Innuit people involved in the negotiations concerning Jame Bay. They hope that the recommendations in the report will be taken into account in these negotiations, for instance keeping up the flow in the Eastmain river and the problem of the Caniapiscau river. These concerns are being taken into account in the negotiations preceding the final settlement.

Oral Questions

PUBLIC SERVICE

REGIONAL WAGE POLICY—REQUEST FOR RE-EXAMINATION

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I have a question for the President of the Treasury Board. In view of the fact that in both the public and the private sectors regional wage disparities have a double discriminatory effect in terms of the best talent leaving the region and the corollary effect that my province, for example, is disadvantaged by the loss of some of its best talent, its most capable people, can the President of the Treasury Board say whether he will seriously examine present government policies with a view to setting an example for the private sector as well?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we are continuously studying this problem. Everybody knows that it is extremely difficult; some areas would like to have national rates, others regional rates, but perhaps I could say to the hon. member that last week the New Brunswick Minister of Finance complained that our officials in that province are so well paid that we take civil servants away from them.

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[*English*]

FOOD PRICES REVIEW BOARD

ALLEGED REFUSAL OF BOARD TO MAKE INFORMATION AVAILABLE TO OTHER BOARDS OR COMMISSIONS—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Although the minister was able on Wednesday to tell me that certain information is being sent directly to a commission in Manitoba, will he deal with the main point of the question that I have been putting to him, namely, the refusal of the Food Prices Review Board to co-operate with other boards and commissions which are making inquiries into food prices and related problems, and will he get in touch with the Food Prices Review Board and suggest that it co-operate with such other agencies?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I do not doubt, Mr. Speaker, that the commission is prepared and willing to cooperate with any other agency in Canada. In my opinion, the hon. member must understand that if the commission receives confidential information and gives those who provide it the assurance that it will not be divulged, it is very natural for the commission to keep its promise and not to reveal the information so obtained.

● (1150)

[*English*]

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Is the minister aware that Mrs. Plumptre has declared in writing that no such information will be given to any other government agency, even when the companies concerned request that this be done? Is this co-operation?

[*Translation*]

Mr. Ouellet: I have the impression that the hon. member is stirring up a storm in a teacup, since in any case the information he seems interested in has been passed to the association in Manitoba.

[*English*]

Mr. Knowles (Winnipeg North Centre): A point of order, Mr. Speaker. The minister has missed the point again.

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POST OFFICE

ALLEGED INEFFICIENT DELIVERY—GOVERNMENT ACTION TO IMPROVE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): A question for the Postmaster General, Mr. Speaker. Is the minister aware of, and has he investigated, the statement by Mrs. L. T. Brodie of Toronto that a letter from her hospital informing her that she has cancer and should appear for more tests took some 12 days to travel the eight miles between the hospital and her home?

Hon. Bryce Mackasey (Postmaster General): No, Mr. Speaker. I read the press report and asked for a report. As you can well understand, I cannot investigate all the complaints that arise from an operation that is 99 per cent efficient and one per cent inefficient. In an operation that handles five billion—

Some hon. Members: Oh, oh!

Mr. Mackasey: If you want an answer I will give you an answer.

An hon. Member: A truthful answer.

Mr. Mackasey: A truthful answer. I hope the hon. gentleman is asking the question in order to obtain information. Five billion pieces of mail are handled annually with an inefficiency rate of one per cent. I am sure the hon. gentleman can figure out the potential for these types of complaints. Nevertheless, we are looking into that particular problem.

Mr. Beatty: A supplementary question. In light of the fact that the Post Office system seems to be breaking down in a number of very important cases, would it be the minister's advice to Canadians that if they have important messages to transmit they should find some other way to send them, either by telephone or courier in order to ensure that they get there safely and on time as opposed to relying on the Post Office system?

Mr. Mackasey: That is a very valid question. If people can find a less expensive way of mailing or delivering mail from Newfoundland to Vancouver by some other method for eight cents I would advise them to go ahead and do so.

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is a supplementary one. In view of the fact that a petition mailed by the mayor of Red Deer to my office on February 20 arrived there on April 14, and this problem was not created in the Post Office at Red Deer, can the minister tell this House whether there will be a time when there will be a postal service that Canadians can rely on?

Mr. Speaker: Order, please. The hon. member for High Park-Humber Valley.

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ROYAL CANADIAN MOUNTED POLICE

SECURITY AT OLYMPIC GAMES—NUMBER OF PERSONNEL INVOLVED AND COST

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a question for the Minister of Justice as Acting Solicitor General. In light of the fact that the RCMP will be participating with the Montreal city police in providing security against the possible presence of guerillas and other troublemakers at the 1976 Olympics, can the minister advise the House how many members of the special national crime branch, if any, will be involved, and how much federal money has been assigned to this particular scheme? As there will be so many different agencies involved, perhaps the minister could indicate who will ultimately be in charge of this giant security operation?

Mr. Speaker: Order, please. The information ought to be sought in another way.

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INDIAN AFFAIRS

GOVERNMENT ACTION TO PROTECT NATIVE HANDICRAFT PRODUCTS

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Has the minister received several hundred individually signed petition letters from the Native Women's Association of Manitoba and would he, perhaps, in conjunction with the Minister of Industry, Trade and Commerce, see to it that measures are taken to prevent the influx of native-like handicrafts into Manitoba? This undercuts the market of authentic native handmade goods in that province.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, from looking at the list of the mail coming in, I am not aware of any volume on this particular problem. It is a genuine problem, however. We have endeavoured to promote the stretched beaver pelt as the symbol of the Canadian Indians' handicraft and have endeavoured to sell Canadians on the idea that is the symbol they should look for when buying Canadian handicrafts. It is an ongoing problem, however, and as the hon. member is probably aware a couple of recent cases on that subject had a successful outcome in Ontario.

INDUSTRY

SYSCO STEEL—REQUEST FOR AID IN FINDING MARKETS TO AVOID FURTHER LAY-OFFS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, a question for the Minister of Industry, Trade and Commerce. In light of the fact that there has been a lay-off of 200 employees at the Sysco steel plant in Sydney and in light of the fact that the management now says there is a softening in the steel market which was not there before according to their own statements, is the minister prepared to make any assistance available through his department to find further markets for steel of that plant? Has he been contacted by any representatives of management of that plant requesting any type of assistance?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not know whether we have received any requests from the company, but we have been very active in trying to promote its products. A member of that company was on a mission that I took to Latin America last year and I think it was a very successful mission for him. Another point I might make is that a senior member of my department has been lent to the Nova Scotia government and has been working with them and Sysco in making plans for a larger and more efficient steel industry in Nova Scotia.

Mr. Muir: I thank the hon. Minister for his reply. May I ask if he would take the initiative to have his officials talk to the management of Sysco steel and offer any assistance possible to eliminate the necessity for laying off further workers at the plant?

Mr. Gillespie: I would be pleased to do that, Mr. Speaker. I might add that we have been very active in helping Sysco to obtain the supplies of pelletized iron that were so important to its future plans.

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AIR CANADA

REQUEST FOR INQUIRING INTO RELATIONSHIP OF McGREGOR TRAVEL AGENCY—MINISTER'S POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Transport which I am sure he should be able to answer. He has been in constant contact with his constitutional legal adviser, and another even more dubious source. Is the minister now able to answer the question asked by the hon. member for Central Nova yesterday? Is he able to make a statement in regard to the question involving the consultant's fees alleged to have been paid by Air Canada? In particular, could he deal with the question of why Air Canada did not advise him that this matter was coming up yesterday, in light of the fact that the hon. member for Central Nova had advised Air Canada that he would be raising it?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I thank the hon. member for having asked the question.

The question the hon. member for Central Nova asked me yesterday was extremely pertinent. It seems that some absolutely irregular activities were going on between Air Canada and the McGregor travel agency. I have asked the President of Air Canada to be here at two o'clock this afternoon, and we will see to it that a full inquiry be launched so that we will know all the facts. In my opinion, the question asked by the hon. member for Central Nova was well founded, and I thank him for having raised it. How come I did not know of it before? The inquiry will show why I am not informed when there is something going on.

[*English*]

Mr. Baldwin: I have been trying.

Mr. Marchand (Langelier): You know, there are so many things going on in the department that I do not know anything about.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

Fifth report of Standing Committee on Miscellaneous Estimates, in both official languages—Mr. Leblanc (Laurier).

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

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to the report that has just been tabled. Yesterday the government House leader said that on Monday the House would be proceeding with Bill C-44. There was some discussion across the floor about the matter and there was discussion between us afterwards. Could the minister now tell us what bill we will be dealing with on Monday?

Mr. Sharp: Mr. Speaker, I thank the hon. gentleman for asking his question. Because the weekend intervenes, we have decided to call Bill C-44 on Tuesday rather than on Monday. The business for Monday, unless there are further agreements among House leaders, will be the continuation or opening of debate on Bill C-20.

* * *

● (1200)

EXPLANATION OF PROCEDURE TO BE FOLLOWED UNDER PROVISIONAL ORDER

Mr. Speaker: Order, please. The Minister of Agriculture (Mr. Whelan) having indicated his intention to make a statement on motions at this time, it becomes the first such statement to be made since the provisional, or experimental order was invoked by the House to be effective on the first sitting day after the Easter break.

The terms and conditions under which statements on motions are to be made are not described in detail, but there are two points of guidance for the Chair. The first, taken from the report of the committee as printed in *Votes and Proceedings* of March 14, is the consensus that statements by ministers and responses thereto ought to be limited. The report of the committee reads in part as follows:

> On statements by ministers, as listed in section (2) of this Standing Order, a minister of the Crown may make a short factual announcement or statement of government policy. A spokesman for each of the parties in opposition to the government may comment briefly thereon and members may be permitted to address questions thereon to the minister. Mr. Speaker shall limit the time for such proceedings as he deems fit.

Today we shall hear the first of such statements. I presume that the only guideline I can follow is that the minister's statement should be brief and factual—

Some hon. Members: Hear, hear!

Mr. Nowlan: Hope springs eternal.

Mr. Speaker: —and that there will be an even briefer statement by each of the opposition spokesmen. I say that it should be even briefer, because apparently the intention of the order is that there shall follow, at the discretion of the Chair also, a short question period in which members may address questions to the minister solely on the subject of his statement.

If, at the discretion of the Chair, questions may be asked following brief statements in response, it follows, surely, that statements in response must be extremely brief and concise in setting out the position of the party on whose behalf the member is speaking, because, as I say, there will be a brief period in which members in general will be at liberty to ask the minister questions.

That is the general procedure I propose to follow this morning. There will be a brief statement by the minister, a very brief comment by each opposition spokesman, followed, for a limited period, by questions.

Mr. Baldwin: On a point of order, Mr. Speaker, although we are all groping in the dark, Your Honour is doing so even more than some members, because at least some of us served on the procedure committee and know what we had in mind. I suggest that there was some feeling in the committee that it might be possible, for reasons of common sense, to allow the questions to precede the statement—

An hon. Member: No.

Mr. Baldwin: I do not want to debate the point. We cannot do it. I merely point out that if we are to respond to the statement, it is sometimes necessary to ask for clarification and inquire into meaning. I think that practice is followed in other jurisdictions, and I suggest that that is what we had in our minds.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. With all respect to the hon. member for Peace River (Mr. Baldwin), I think Your

Honour's suggestion was more in line with what we had in mind. It is correct that we had in mind that responses from the first spokesman for each opposition party should be brief. I think Your Honour has made a good point, that they should be even briefer than the minister's statement so that anything left in doubt can be resolved in the brief question period which follows. It seems to me the question period must come after the statement.

Mr. Speaker: In any event, as it fell to someone to choose how the order should be interpreted, I made the choice and I think we ought to proceed this morning in the way I outlined. It is to be hoped, this being the first such statement, we shall learn from our procedure. If there are to be modifications and suggestions regarding the format we shall use this morning, certainly those can be considered in due course and the procedure can be adapted as we go along. Is this agreed?

Some hon. Members: Agreed.

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AGRICULTURE

CHANGES IN SUBSIDY FORMULA FOR INDUSTRIAL MILK AND CREAM PRODUCTION

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would have much preferred it if some other minister had made his statement on this first occasion. I understood my statement was to be brief. I will try to be brief.

For some time the members of the dairy industry and the government have been working to build a long-term dairy policy. Working together, we formed the Canadian Dairy Commission in 1967. That was a big step in the right direction. It saved dairy farmers from abrupt swings in the market. It also provided security against barrel-bottom prices to milk producers. Now it is time to take the next step. That is why, starting today, the returns to industrial milk and cream producers will be adjusted to changing production costs. We will use a formula to do this.

As you know, at the beginning of each April a new dairy year begins and producers wait anxiously to hear the government announce the support levels for the coming year. Rapid increases in the prices of dairy inputs have made their situation even more urgent. Dairy farmers have to tie up too much money in land, buildings, and stock to live from year to year. That is the reason behind our move to formula pricing. It will give needed security to both producers and consumers.

This formula will gear industrial milk and cream producers' incomes to input prices. What it means to the efficient, hard-working farmer is that neither inflation nor a big jump in cash costs will leave him in an income squeeze. To consumers this will mean a constant supply of nutrition-packed milk. Although it will guarantee producers a fair return, consumers should realize that this also will protect them from rip-off milk prices at the farm gate.

Mr. Lambert (Edmonton West): On a point of order, Mr. Speaker—

Mr. Whelan: When people call milk the perfect food, they are right on target, and this government is not going to risk having any consumer go to the supermarket for milk and being turned away.

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. Two hon. members are seeking the floor on points or order. I think I can anticipate their nature. I wonder if we might allow the minister to finish, and then hear the points of order?

Mr. Lambert (Edmonton West): Mr. Speaker, no with respect. It is precisely, shall we say, the clownish way in which the minister is trying to interpret the meaning of "short statement" which makes nonsense of our interpretation system. Members here who do not want to listen to this statement in the English language are entitled to hear it as much as possible through the very excellent interpretation service of the House. But there is no interpreter on the staff who can translate the minister's delivery of this statement, with all its limitations as to accent and presentation. It is on that point I rise. We are not here to make this procedure clownish. The House will be reasonable, but let us not make a farce of this procedure, and it is now a farce.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order, to express views similar to those expressed by my colleague for Edmonton West (Mr. Lambert). I hope, since this is the first such statement, that in future the kind of thing we are witnessing will not happen again. The statement is important. The length of the statement ought to be weighed in the balance against its importance and, certainly, a statement is not made more brief merely because it is read in the way this statement was being read just now. May I suggest that you, Mr. Speaker, take under advisement the propriety of reviewing statements, in advance so that you can decide on the basis of their length whether they are proper. Otherwise this whole system will break down.

Mr. Speaker: Order, please. Both comments are valid. This, of course, is the first occasion and the minister, perhaps remembering my admonition, has been trying to rush the statement in order, thereby, to make it brief. Perhaps it would be better to make statements factual. Let the minister take his time in delivery. Let us proceed on that basis and perhaps we can learn from this experience.

Mr. Whelan: Mr. Speaker, there was so much noise in the House that I did not know what members were saying. I understood I was to make a short presentation. It was to be as short as possible and the question period afterwards would make clear matters that were not contained in the statement. I could have made a longer statement, of the sort that will be released later for public information, of the sort I presented before cameras, to milk producers and to the processing industry earlier today, for their information. This is done all the time. I was trying to be as clear and as quick as I could, and I apologize if I ran too fast. If you want, I can start over again.

Some hon. Members: Oh, oh!

● (1210)

Mr. Whelan: The target price today is—

Mr. Lambert (Edmonton West): Read it intelligently.

Mr. Speaker: Order, please. Perhaps hon. members have had as much enjoyment about the new procedure as they propose this morning. Possibly we can now pay a little more attention and get the statement on the record.

Mr. Whelan: As a minister and a member of parliament, I think I have some rights too. We are criticized for not making statements. I had hoped to have had this here several minutes before eleven o'clock, but I understand there is no real deadline as to when it should be here. There was a mixup and it was not delivered to the leaders' offices as soon as it should have been. I think the dairy policy is very important. I am of the opinion that the opposition does not want to hear this.

Some hon. Members: Oh, oh!

Mr. Whelan: The target price today is $11.02 per hundred-weight for industrial milk. This will be the starting base for the formula. Future changes in support levels will reflect changes in labour and cash costs which will make up 80 per cent of the formula. Forty-five per cent of this formula is based on the cash costs of producing milk. Thirty-five per cent is based on labour earnings adjusted by the consumer price index. In addition, a number of other supply and demand factors will be taken into account.

If, midway in the dairy year, the returns adjustment formula goes up or down more than 4 per cent, this will result in a change in producer returns. This change, up or down, will come from the marketplace. The support levels will not be changed more often than once every three months. It is important to understand that the government will be reducing direct support payments to dairy producers. Our aim, over the long haul, is to have producers get every cent of their income from the marketplace.

There is another point I want to make clear. Under this policy it is more important than ever before for producers to gear production to known market needs and opportunities. In many ways the dairy industry is unique in Canadian agriculture. That is why we have special support programs and controls for this industry. I met representatives of the dairy industry this morning to explain how the long-term policy will work. We discussed details of this policy, as I had promised in the announcement I made on April 1. This, Mr. Speaker, is a big step for the dairy industry.

Mr. John Wise (Elgin): Mr. Speaker, I will bear in mind the new rules of the House in replying very briefly to the minister's statement.

Months ago, and on many occasions in this House, members on this side and the dairy farmers of Canada were assured of the introduction of a long-term dairy policy. Efforts have been made by those in the industry to meet with government officials for discussion on this subject. Unfortunately little or no meaningful discussion has been held.

It is true that interim, but insufficient, adjustments have been made, the latest of which was announced during the Easter recess. The industrial milk subsidy at that time was established at $11.02. The dairy farmers of Canada had requested at that time a support level of $11.60.

Cost of production figures for many dairy producers indicate the cost of production of milk ranging in the area of $12 to $14 a hundred, and some in fact have even reached a higher figure.

I suggest that the general approach is in the proper direction, but if the base price to be used is too low, which I suggest is the case in this particular situation, then the end result will not be obtained.

Will the minister indicate the reaction of the dairy farmers to his statement? What was their reaction when he met with them this morning? My colleagues on this side of the House will have questions regarding the composition of the index to be used, and other related matters. I cannot over emphasize the importance of the dairy industry to this country and the contribution it makes to the entire economy and the health of the nation.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is not easy to follow Irish frustration travelling at 200 words a minute. I can understand the minister saying that he wished some other minister were making this statement, because if ever I saw a bitter pill very thinly sugar-coated, it is the statement which the minister just made.

The important paragraph of the minister's statement is as follows: "It is important to understand that the government will be reducing direct support payments to dairy producers. Our aim, over the long haul, is to have producers get every cent of their income from the marketplace."

The minister said in his statement, and I quote: "When people call milk the perfect food, they are right on target." The minister has a great capacity for stating the obvious as though it were a revelation from the supernatural. If milk were the perfect food and if it is essential, particularly for children, then almost every country in the world should have subsidized milk production, both to the producers and the consumers. The United States has a school lunch program and free milk. For years the United Kingdom has had subsidized basic foods, of which milk is one. They have done this because they recognize that the poor in any country, and particularly the children, ought to have certain basic foods at prices which they can afford to pay.

What is the minister now announcing? Having cancelled the consumer subsidy a few months ago, the minister is now telling us they are going to reduce the direct support payments. When he says that the producers will now have to get every cent of their income from the marketplace, he is in effect saying the consumer will have to pay more for milk. People with large families who cannot afford to pay higher prices for milk will have to reduce the amount of milk which their children consume. I say this is a back-

ward step, and a policy which any minister and any government ought to be ashamed to announce.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, first of all, I would like to deplore very briefly the offhand and jesting manner in which the minister announced a policy which will have such serious effects.

It seems to me that for once, when he could have had the opportunity to take a position about a dairy policy, he could have done so seriously, particularly out of respect for Parliament which is trying a new method to update our procedure.

Mr. Speaker, the minister announced today that, from now on, dairy policy will be based on input costs, including 45 per cent production costs and 35 per cent manpower costs. The minister said that, from now on, this policy will be reviewed every three months instead of once a year, on April 1. Those are the points which have impressed and interested us and which we support. However, we find the pricing method extremely complex especially as concerns the famous 4 per cent mentioned on page 2, to modify the producer's income.

Mr. Speaker, if the government—and here I agree with the previous speaker—uses this policy to withdraw from this field by saying that we must also understand that the government will reduce the direct support payments to milk producers, this will mean automatically, because of the laws of supply and demand, an increase in consumer prices.

Mr. Speaker, I do not have confidence in the statement of the minister for a very simple reason. Last year, the minister announced a consumer subsidy. Indeed, the government invested $109 million for this purpose, but at the same time it imported 24,749,000 pounds of milk at an average rate of 54 cents a pound, which it sold at an average price of 95 cents. In other words, the government took from the consumer what it had politically announced as being a consumer subsidy. In fact, the consumer had to pay. Mr. Speaker, I do not question the good intentions of the minister, but if we look at the complexity of this formula, we have no guarantee that the consumer and the producer will be protected. However, Mr. Speaker, I hope very sincerely that the methods used for the implementation of this new policy will be simplified so that for once the dairy farmer understands how his own income is established.

● (1220)

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, now that the government has given the consumers of this country the bad news that it intends to rescue the dairy industry on the backs of the hard-pressed consumers of this country, and in view of the fact that the price of fluid milk has risen by 37.7 per cent already in this year and represented the highest single rise in the consumer price index last month at 2.2 per cent, and in view of the findings of the Food Prices Review Board that there is a serious calcium deficiency in the diets of Canadians and that this could adversely affect the health of Canadians because of the importance of milk to young Canadians, I ask the minister what he intends to do with respect to the retail price of fluid milk? Does he propose to provide some kind of subsidy, or is he giving consideration to the provision of a special program to get milk to the children of the country?

Mr. Whelan: The policy I have announced has nothing to do with fluid milk at all. It relates to industrial milk products, and I think this should be made clear. The distribution of fluid milk is carried out by the provincial marketing boards; each province runs its own program for the sale of fluid milk. We have not cut out the subsidies. We have actually added to the subsidies for industrial milk products. With respect to the one that is used particularly by people in outlying areas in Canada, skimmed milk powder, we have added to that subsidy; there will be no increased cost to the consumer with respect to that commodity whatsoever.

We feel that provision of social benefits is an area for the social services of the nation and for the social services of the provinces, to take care of those people who need help, rather than working through a subsidy program, through our farmers. We have said we will not cut back the subsidy unless such action is warranted. We will review the situation from time to time.

Mr. McGrath: How can the minister reconcile the reply he has just given with the words which appear in his statement—"our aim over the long haul is to have producers get every cent of their income from the marketplace"? Other references are made to fluid milk during the course of the statement. How can he reconcile this with the statement he has just made? Surely he has a responsibility to consumers of this country for whom fluid milk is an important part of their diet.

Mr. Whelan: We certainly realize that, and I realize it as much as anybody, perhaps more than anybody, because we are dealing with products which consumers use. And we cannot produce them unless they can afford to buy them. We say that over the long haul these programs will be arranged in such a way that those people will be in a position to buy the products in the same way as anybody else in society. People receiving lower incomes will be taken care of by the social services of the country, but those social service programs will not be run by the federal Department of Agriculture.

Mr. Bill Jarvis (Perth-Wilmot): In light of the fact that according to the minister's statement the formula is based only on direct cost, although the hon. gentleman mentioned that the real producer squeeze arises from the cost of land, buildings and capital assets, and in light of the fact that all representations by the producers to the minister have emphasized the necessity of including in any formula that portion of production cost related to the cost of borrowing money, or capital assets, will the minister tell us whether any input in that formula arises from capital cost and, if not, will he explain why not?

Mr. Whelan: Mr. Speaker, I said that the 45 per cent and the 35 per cent made up the 80 per cent; there was 20 per cent left, and this comes from that area. This amount will be reviewed from time to time. The costs which vary a good deal from farm to farm, and which are not the same

from time to time, will have to be reviewed in the year-end review.

Mr. Jarvis: The minister's aim in the long haul, to use his words, is to have the producers get every cent from the marketplace. What target date does the minister have in mind for the complete elimination of the subsidy on industrial milk?

Mr. Whelan: It should be quite a number of years. There is really no set time. We are thinking in terms of possibly ten years. The program we have set up now will be reviewed from time to time; it is for five years.

Mr. Jarvis: What was the response from the dairy industry? Was it acquiescent or enthusiastic this morning?

Mr. Whelan: The meeting was still going on when I left there. The dairy industry all over Canada was well represented, both the producing side and the processing side. I would say the reception was exceptionally good.

Mr. J. R. Ellis (Hastings): I am intrigued, Mr. Speaker, that the minister should still be making statements outside the House albeit to a very receptive audience, one I could not object to, but could the minister tell us how he intends to determine the costs which will go to make up the input? Does he propose to use figures supplied by Statistics Canada? How is he going to dream up these costs?

Mr. Whelan: We use 35 per cent for wages etc. on the CPI index. The rest will come from the input costs the producers have to bear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I have three short questions to ask the minister. The first has to do with his statement, "Consumers should realize that this also will protect them from rip-off milk prices at the farm gate." What indication is there that rip-off milk prices have been charged at the farm gate? To what extent will the measure he has just proposed remove such an occurrence if it has actually taken place?

Mr. Whelan: Dairy products are sold under the Dairy Commission. The formula is based on a set price with set margins. There have been instances every now and again when skimmed milk powder sold for consumer use has not been sold taking into consideration the subsidy we pay on skimmed milk powder for human consumption. If we did not have this formula, if we did not have this commission, it would not be easy to make sure that all consumers in Canada are treated in the same way.

Mr. Douglas (Nanaimo-Cowichan-The Islands): When the minister talks about reducing direct support payments to dairy producers, what reduction will there be, what form will that reduction take, and over what period of time will it be made?

Mr. Whelan: That would depend upon the conditions existing in the country at that time. We do not intend to add any more money to the subsidy, but the wage index in Canada, the CPI in Canada, will all be affected by what the market can bear and by what our supplies are; if we have an abundance of supply and we are over-producing, we can be in real difficulty if we do not have markets for those programs. That, too, will affect the price set for producers. The producers recognize this. I do not think there is any more I can say on that aspect at this time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): My final supplementary has to do with the minister's statement that producers will have to get every cent of their income from the marketplace. In answer to the hon. member for St. John's East, (Mr. McGrath) the hon. gentleman said it would now be up to the provinces, with their various social welfare departments, to make sure that adequate dairy products are available to those with low incomes. If that is the policy of the government I want to ask the minister why, only last year, the government introduced a subsidy for milk? At that time the minister felt that the government had some responsibility for seeing to it that milk prices, for low income families particularly, were kept at a level they could afford. Why has the government changed its policy and now says it has no responsibility in this matter?

● (1230)

Mr. Whelan: Mr. Speaker, I want to make one thing clear and plain. I did not isolate the government's social service responsibility to the provinces. If I did say that, I did not mean to. The federal government has a certain responsibility and we pay into provincial programs. I am sure the hon. member knows that as well as anyone. Why we put the five cent a quart consumer subsidy on milk was because the other programs had not moved. We had not moved on indexing pensions and so on, we had not changed family allowances, we had not lowered income tax. All these things we have done have benefited people much more than the $100 million. The criticism that this government gets most of all is for spending. I point out that over 50 per cent of the extra spending by the government has been on social services.

[*Translation*]

Mr. Fortin: Mr. Speaker, on page 2 of his statement, the minister said he would consider a number of other factors concerning supply and demand. Can the minister say if these factors include those relating to export and transportation and, if so, in what proportion?

[*English*]

Mr. Whelan: Mr. Speaker, the pageboy was handing me a note and I did not get the full context of that question. I apologize.

[*Translation*]

Mr. Fortin: Mr. Speaker, I have another question. Does the minister mean that, under the general philosophy of this statement, the dairy policy is going to be revised every three months to ensure a minimum income to the producers?

[*English*]

Mr. Whelan: Only if it changes more than 4 per cent, Mr. Speaker. If it does not change any more than 4 per cent, there will be no change in the price of the commodity.

[*Translation*]

Mr. Fortin: Mr. Speaker, I am coming back to my first question.

The minister said in his statement that he would consider a number of other factors related to supply and demand. In these other factors, does he consider the export and transport costs of these products and, if so, in what proportion?

[*English*]

Mr. Whelan: Mr. Speaker, the judgment factors we speak of arise from the world supply of industrial milk powder. At the present time I believe the producers subsidize export sales of that at 16 cents a hundredweight out of the returns they receive. There is a world supply position of milk powder that is greater than it was before, so this could affect the returns to the farmers if they have to contribute more to be able to compete in the world export market. By the producers contributing we do not get into any trouble with GATT or any of our international trading partners, and the dairy farmers are quite responsive to the suggestion.

Mr. Speaker: Order. It is in the discretion of the Chair, under the terms of the provisional order, to limit debate or the question period as the Chair sees fit. This is the first of such periods and I do not propose to limit debate severely. However, in my opinion, I must say frankly that the subject seems to have been covered pretty thoroughly in questions.

There are three other members seeking to ask questions, the hon. member for Red Deer (Mr. Towers), the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) and the hon. member for Hamilton Mountain (Mr. MacFarlane). I propose to allow those members to ask their questions, but I would ask them please not to repeat any of the ground gone over already. If they have fresh ground they want to cover with the minister, would they please ask brief questions so we can conclude the matter? The hon. member for Red Deer.

Mr. Gordon Towers (Red Deer): Thank you, Mr. Speaker. Would the minister tell the House, when a price change is to be made, what will trigger the action and who will have input into establishing the cost of production? Will it be the national farm organizations, or the provincial agricultural departments, or is it wholly within the federal Department of Agriculture?

Mr. Whelan: It is mainly the Canadian Dairy Commission which has worked out the formula. It was said earlier that there had been no consultation. If there was any more consultation on any subject than there has been on this, then I do not know what it is. We will continue on with our discussions and work on the formula, but we have made a commitment that our findings will be published every quarter.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I hope you will not feel that I am abusing the guidelines you set by asking questions respecting the eventual elimination of subsidies, but I want to approach the matter from a different angle. In light of the minister's announced intention eventually to phase out the subsidies and have all the increased costs to producers met at the consumer level, what assurances can the minister give milk producers that as the cost of milk, both fluid and industrial, rises at the consumer level and becomes less economic to buy compared with competing products on the market shelf, consumption of milk will not drop and that they will be forced to curtail production as a result?

Mr. Whelan: Mr. Speaker, the total program is geared to guaranteeing that there will be constant production. As a result of the measures we took last year, Canada has had a lesser reduction in production than nearly every other nation of the world. Our dairy products also, even with the present program, are comparable with any nation of the world, and in most instances at a lower price to the consumers. Last year when we used the subsidy of five cents a quart, costs were rising faster than the general CPI. That has changed at the present time.

I repeat that we never said that we would discontinue the subsidy to producers. We said we would not enlarge it, and we hope that as a result of our programs more of it will be passed on to the consuming public. I know I am repeating myself, but these social programs will take over the extra cost to consumers on fixed and low incomes, etc., who cannot afford this commodity. They will be taken care of by that kind of program.

Mr. Beatty: I have a brief supplementary question, Mr. Speaker, with respect to the subsidy on skim milk powder. In light of the fact that experience in many cities has been that the introduction of the federal subsidy on skim milk powder has trapped supermarkets, so that if they are to take advantage of the subsidy they are required to take a loss on the sale of skim milk powder, and as a consequence they dropped certain brands and sizes of packages affected by the government refusal to allow them to increase prices at the consumer level, is the minister reconsidering representations made by the National Dairy Council and by the Retail Council of Canada suggesting that the retailers be allowed, if they collect the subsidy, at least to cover their costs?

Mr. Whelan: In the first place, Mr. Speaker, the retailers do not collect the subsidy; we pay it to the processors. In turn, the processors apply it to the retail outlets. The retailer is allowed a margin on this. Some do not think they are getting a big enough margin, and in some instances they are selling it as a stock loss leader. There is no real way they are bound by what they can do with it except sell it. I should not say there is no way; there is a certain margin they are allowed to have, but no higher than that.

Mr. Beatty: Some of them, when the price was frozen, sold it as a loss leader.

Mr. Whelan: There is an inquiry going on at the present time by the Food Prices Review Board just on this very point, and it is quite detailed. I know there are some difficulties but I do not foresee them to be insurmountable. They are difficulties that can be overcome. We agreed today to work out a proper program with the trade so they are treated in a fair fashion.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, my question is somewhat related but deals more with the small dairy producer. In the minister's discussions did any of the dairy producers indicate that they had a fear that because of the increase in price their market will drop off? If that is the case, is there anything within the minister's organization to give them an opportunity to indicate that it might not be feasible for them to continue production? Is there any kind of assistance they could look for if this were to occur?

Mr. Whelan: There is no doubt that the program is one that is geared to the efficient producer. It is also geared to protect the small producer. The figures used here to work out the base price of $11.02 a hundredweight were worked out on a herd size of 17 milking cows. It was not worked out on a herd size of 100 milking cows or one of lesser size, but on one that we figured was the size you should have to make it productive so that the family farm can stay in business. This program is geared to a quota program to make sure these farmers stay alive, but there will be an incentive here for them to be creative and more efficient.

● (1240)

Mr. Reid: Mr. Speaker, I rise on a point of order. I understand the Secretary of State has a bill to present. Would it be possible to go back to introduction of bills to allow him to make that presentation?

Mr. Speaker: Order, please. Does the House agree to revert to the introduction of bills to allow the Secretary of State to introduce this bill?

Some hon. Members: Agreed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,273, 1,478, 1,574, 1,855 and 1,898.

Mr. Speaker, if questions Nos. 1,079 and 1,937 could be made orders for returns, these returns would be tabled immediately.

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

[*Text*]

FRANCE-CANADA AGREEMENT—FRENCH CIVILIANS IN CANADA

Question No. 1,273—**Mr. Schumacher:**

1. Since the signing of the France-Canada agreement, by month to date, how many French civilians of military age made application to come to Canada instead of doing their compulsory two-year military service?

[Mr. Whelan.]

2. By month, how many were accepted and, by province, where are they located in Canada?

3. How many of those accepted are in the employ of the (a) government (b) provincial governments and, in each case (i) where are they located (ii) what is their job description (iii) what salary are they receiving?

4. How many are employed in (a) education (b) health and/or social services (c) private industry and, in each case, what is their job description, salary and location?

5. How many applications to take advantage of the France-Canada agreement are still in the processing stage?

6. How many applicants have been refused admission under the agreement?

7. Is the agreement perpetual or is there an end-date after which no further applications will be received and, if so, what is that date?

8. Who is responsible for (a) travelling expenses (b) accommodation expenses (c) medical expenses (d) unemployment expenses, for those taking advantage of the terms of the agreement?

9. In each case, what is the marital status of those accepted and do the terms of the agreement allow for the transfer of spouses and family to Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. Information not available.

2. Statistics are not available on a monthly basis. In 1974, 37 civilians came to Canada to begin their 16 month employment in Canada. By province, the distribution is as follows: Ontario, 22; New Brunswick, 10; Alberta, 3; British Columbia, 1; Manitoba, 1. Statistics are not available for Quebec.

3. (a) Nine of the 37 mentioned in Part 2 are employed by the government: Department of Agriculture, Ottawa, 1; Department of Supply and Services (Translation), Fredericton, 1; Department of National Defence, Kingston, 1; Secretary of State (Translation), Ottawa, 4; Canadian Transport Commission, Ottawa, 1; Canadian Economic Council, Ottawa, 1; Economic Council of Canada, Ottawa, 1; (b) (i) (ii) (iii) Five of the 37 are employed by the Department of Health and Welfare of the Province of New Brunswick in Fredericton. Each is paid a monthly allowance of $450.

4. (a) Twenty of the 37 are employed in the field of education. By province and by institution, their distribution is as follows: Ontario, 14: Lycée Claudel (Ottawa, 5; University of Toronto, 3; Queen's University, 2; University of Ottawa, 1; Guelph University, 1; University of Western Ontario, 1; Canadian Memorial Chiropractic College, (Toronto), 1. Alberta, 3: University of Alberta, 1; University of Calgary, 1; Collège Saint-Jean (Edmonton), 1. New Brunswick, 2: University of New Brunswick, 1; Institute of Modern Languages (St. John's), 1. British Columbia, 1: Simon Fraser University, 1. Information on job descriptions is not available. Each civilian is paid a monthly allowance of $450. (b) See 3 (b). (c) As a rule, private industry is excluded from the programme. However, in 1974 two civilians were seconded to *l'Évangéline* (Moncton) and one to *La Liberté/Le Patriote* (Saint-Boniface).

5. Information is not available.

6. Information is not available.

7. There is no formal agreement covering this programme.

8. (a) The Canadian employer. (b) The civilian. (c) The French Government and the civilian. (d) The Canadian employer and the civilian.

9. Civilians may bring their dependants to Canada but must defray themselves all costs incurred.

PRIME MINISTER'S SPEECH TO LIBERAL PARTY FUND RAISING DINNER IN MONTREAL

Question No. 1,478—**Mr. Cossitt:**

1. Did the Prime Minister state in a speech to the Liberal Party fund raising dinner in Montreal on or about January 31, 1975: "I will not leave Ottawa until the country and the government is irreversibly bilingual"?

2. Is it also the Prime Minister's intention not to leave Ottawa until the country has moved irreversibly down the road to inflation?

3. Is it also the Prime Minister's intention not to leave Ottawa until the country has moved irreversibly into business and industrial recession?

Right Hon. P. E. Trudeau (Prime Minister): 1. Yes.

2 and 3. These questions are unusually silly, even for the questioner.

PUBLIC SERVICE—NUMBER OF PERSONNEL SENT ON FULL-TIME COURSES

Question No. 1,574—**Mr. Herbert:**

For each of the past two years, how many public servants were sent on full-time courses of (a) a duration of more than six months (b) three months or more immediately after having completed such a course?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: (a) Language courses: 1973, 290; 1974, 877; British Program for Administrative Principals: 1972-73, 3; 1973-74, 3; 1974-75, 4. École nationale d'administration (Paris): 1972-73, 2; 1973-74, 3; 1974-75, 4. École nationale d'administration (Québec): 1972-73, 4; 1973-74, 5; 1974-75, 4. École internationale de Bordeaux: 1973, 3; 1974, 3; 1975, 1. (b) Nil.

FULL-TIME LANGUAGE TRAINING

Question No. 1,855—**Mr. Herbert:**

How many public servants who have taken and passed instruction courses in second language training have subsequently taken additional full-time instruction course other than for reasons connected with promotion?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: Public servants who have taken and passed instruction courses in second languages training are not, as a general rule, entitled to further full-time language training. However in cases where a public servant is appointed to a bilingual position requiring a higher level of language knowledge than that required by the previous bilingual position occupied that person may receive up to six months of additional continuous full-time language training in order to meet the higher linguistic requirements of the new position. Our records indicate that to date, no person has received additional continuous full-time language training as specified in the question.

Order Paper Questions

JACQUES CARTIER TERMINAL FACILITIES, MONTREAL

Question No. 1,898—**Mr. Forrestall:**

1. What was the basis for the decision for funding the construction of the Jacques-Cartier terminal facilities in Montreal?

2. Was the consulting firm of Peat, Marwick and Partners involved in the preparation of any studies used in any way whatsoever to justify this situation and, if so, what was the nature of their involvement?

3. (a) What is the estimated total cost to the Canadian taxpayer of these facilities (b) what dollar level has been expended to February 28, 1975?

4. Was the National Harbours Board involved in this decision and, if so, to what extent?

5. Were these facilities constructed at the urging of the Montreal Port Authority?

6. What are the terms, if any, of repayment for these facilities?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows: 1. The Jacques Cartier Terminal is being funded by the Port of Montreal out of National Harbours Board's own resources according to policy.

2. No.

3. (a) Nil, National Harbours Board's own resources are being used. (b) Not applicable.

4. The National Harbours Board approved the Jacques Cartier Terminal project.

5. The Montreal Port Authority concurred in the decision to construct the Jacques Cartier Terminal.

6. Not applicable, National Harbour Board's own resources are being used.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL DEFENCE—RECRUITMENT

Question No. 1,079—**Mr. Rodriguez:**

1. How many billboards and/or other signs have been mounted by the Department of National Defence for the purpose of recruiting individuals into the Canadian Armed Forces?

2. By province and nationally, what is (a) the cost to date (b) the projected total cost of the billboard/sign campaign?

3. By province and nationally, what is (a) the cost to date (b) the projected cost of recruitment ads (i) on television (ii) on radio (iii) in newspapers?

4. By province and nationally, how many persons were recruited each month since January, 1972 to date?

5. By province and nationally, how many persons left the Canadian Armed Forces since January, 1972 to date and what were the numbers attributed to broad classifications, such as resignations, retirements, etc.?

6. (a) What is the name of the public relations firm or firms handling the recruitment campaign contract or contracts for the Department (b) what fee or fees (i) have been paid to date (ii) will be paid at the end of the contract(s)?

Ways and Means

Return tabled.

SUPPLY AND SERVICES—LETTER SENT TO CHIEF OF MEDIA RELATIONS

Question No. 1,937—**Mr. Reynolds:**

Is the Minister of Supply and Services aware of a letter sent to the Chief of Media Relations, Mr. I. Rolstone on January 15, 1975 and (a) if so, on what date will the information requested be provided (b) if not, will the Minister request that the information be provided on (i) commodity procurement within the Engineering and Science Procurement Services (ii) records of efficiency and complaint of a specific nature respecting the Auditor General or the operational Audit Branch for over-expenditures on contracts (iii) instances when the Minister has over-ruled contracts recommended by his subordinates (iv) names of companies and appropriated amounts of money allocated to firms having had more than five contracts issued within the past year (v) a review of services and the cost of maintenance of the War Supply Agency?

Return tabled.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX

The House proceeded to the consideration of a motion to concur in a ways and means motion with respect to the Income Tax Act.

Hon. James Hugh Faulkner (for the Minister of Finance) moved:

That a ways and means motion to amend the Income Tax Act, laid upon the table, Thursday, April 17, 1975, be concurred in.

Motion agreed to.

Mr. Speaker: Order, please. There was some discussion earlier about the introduction of a bill by the Secretary of State for the Minister of Finance. The ways and means motion which has been taken and disposed of as an order of the day was a condition precedent. The bill can only be introduced now by leave of the House because there is a time limit involved between the filing of notice of the ways and means motion, which we have just done, and the actual introduction of the bill, which would have to be abridged if the bill were to be introduced now. In other words, this would have to be done with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Speaker, I wonder whether the minister could assure us that he has the approval of the Minister of Finance (Mr. Turner) in respect of the introduction of this bill.

Mr. Speaker: Does the House give its unanimous consent to the introduction of this bill?

Some hon. Members: Agreed.

[Mr. Rodriguez.]

INCOME TAX ACT

Hon. James Hugh Faulkner (for the Minister of Finance) moved that Bill C-58, to amend the Income Tax Act, be now read the first time and printed.

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

* * *

BRITISH NORTH AMERICA ACTS, 1867 TO 1965

AMENDMENTS RESPECTING SENATE REPRESENTATION FOR YUKON AND NORTHWEST TERRITORIES

Hon. Mitchell Sharp (President of the Privy Council) moved that Bill C-3, to amend the British North America Acts, 1867 to 1965, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the purpose of this bill is to amend the British North America Acts to provide for the appointment of one senator from each of the Northwest and Yukon Territories.

Hon. members are aware of the concern of the government that all regions of Canada should receive fair representation in both Houses of parliament. This aim has been achieved with regard to this Chamber with the enactment of the Representation Act, 1974, and the Northwest Territories Representation Act. Equitable representation in the House of Commons is by no means sufficient, however; we must achieve equitable representation in parliament as a whole. It is essential that the northern viewpoint should find expression in the other place, just as do the views of all other parts of Canada.

This is not a partisan matter, Mr. Speaker. Nor is this the first time the matter has been before parliament. In the second session of the 29th parliament the House gave second reading to Bill C-11, which was identical in terms to the bill now before us, Bill C-3. At that time my predecessor in office pointed out that in the early days of confederation before the creation of the provinces of Saskatchewan and Alberta, the Territories were represented in the Senate as well as in the Commons.

Moreoever, the hon. member for Yukon (Mr. Nielsen) has introduced a private member's bill to the same effect as Bill C-3. As hon. members are aware, the government was willing to support the passage of that member's bill until it became evident that there were technical problems which could not be resolved.

It is of fundamental importance to this country that the north should be justly represented in parliament, and I am sure this will be recognized by all hon. members in their consideration of this measure.

Mr. Deputy Speaker: I would now recognize the hon. member for the Northwest Territories, if the House has no objection.

Mr. Baldwin: His approval is automatic.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my remarks on this matter will be very brief. I think the

time taken up with the introduction of this bill in the House is a waste.

When we get the Liberals and the Conservatives together on a measure to provide for the residents of the Northwest and Yukon Territories, a measure they consider to be some kind of a plum, it arouses some suspicion in my mind. Had the two parties got together and suggested the appointment of an ombudsman, or someone of that nature, who could do something for the people of the Northwest and Yukon Territories, I can assure the House they would have received a great deal of support. I see no merit whatever in this idea on which the Liberals and the Conservatives are in agreement. This is a waste of money, and the people of the north have not asked for and do not want anything like this. I do not think any self-respecting northerner would accept such a measure.

Should this bill be approved by this House, and that seems very likely since the Liberals and Conservatives are together on it, it will discriminate to a large extent against the native population of these territories. If hon. members will look at Section 23(4) of the British North America Act they will find that, among the qualifications required to become a senator, a candidate must personally have real property over and above his debts to a value of $4,000. I should like anyone to travel throughout the Northwest and Yukon Territories and point out to me a number of native people who are in that position. I am sure they will find the number to be very small. Just yesterday—

Mr. Chrétien: You have it.

Mr. Firth: Do you want to be one of the representatives of the north?

● (1250)

Just yesterday before the Standing Committee on Indian Affairs and Northern Development some figures were read out to us by the representatives from the Department of Indian Affairs and Northern Development. They referred to the income of the people in the Northwest Territories. That is on the record and shows that the income level for the majority of the northern native people is under $1,000. The accepted poverty level for the country, I believe, is somewhere in the neighbourhood of $3,500. I suggest this discriminates to a large extent against the northern native people.

I should like to reiterate the point that I would rather see this thing scrapped and sent to the junk yard. We would prefer having an ombudsman representing both territories. This could be accomplished with one third the cost of having a senator from each territory who would not be representative. In addition this would amount to the appointment of either a Liberal or Conservative hack, who perhaps would be a campaign manager in forthcoming election campaigns. At the present time I think the Liberals are indicating some kind of desperation over the fact that they do not have representation from either territory, and therefore they intend to take some more of the taxpayer's money which will be wasted in an effort to obtain some representation from that part of the country. I made a slip—that would not be representation at all, Mr. Speaker.

I hope that this bill does not pass but, if it should pass and should be referred to the committee, I hope that we will have in attendance there representatives from the Northwest Territories and the Yukon Territory, and from their councils, because I am sure they will say what the people from that part of the country believe about this matter. I am almost certain they will echo the sentiments I have expressed at this time. I shall waste no more time on this matter.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, while I always respect the remarks and the feelings expressed by the hon. member for the Northwest Territories (Mr. Firth), I should say I am a little disappointed this morning to hear him accuse the Liberals and Conservatives of getting together in a sort of conspiracy to deal with this bill. Hon. members should be aware that we in this party have never gone to bed with the government. I look back on the twenty-ninth parliament and recall vividly the actions of the party to my left in dealing with the government of that day. I can assure the hon. member that there is no conspiracy at this time on our part to co-operate with the government. We do feel, however, that this bill is necessary and should be passed.

I have no intention of making a lengthy speech on the subject this morning, but I do recall that a week or ten days ago we were dealing with amendments to the Northern Canada Power Corporation Bill. While that bill was in committee we heard from various groups and representatives of the Yukon Territory and the Northwest Territories. They made representations and suggestions concerning how that particular bill should be dealt with, and nearly without exception the members of those various groups and organizations indicated they were looking forward to the day when both the Yukon Territory and the Northwest Territories would attain provincial status. The Minister of Indian Affairs and Northern Development (Mr. Buchanan) and the staff of that department taking part in the committee hearings indicated it was their feeling that we should work toward the day when both these territories would attain provincial status.

I feel this particular bill is one more step toward giving both territories provincial status. It moves us one step closer toward attaining that status, which I believe is what the people of the territories and all members of this House want. Over the years there has been much criticism of the other place. Much of that criticism has been deserved. Over the years appointments to the other place has become a means of paying the political debts of the party in power to those people on the hustings who worked on its behalf.

That was not the intention of the Fathers of Confederation when they set up our constitution and provided for the Senate. They felt there was a need and a place for a Senate in the government of our country, and that the Senate would serve a useful function. The Senate should be made up of a balance of representatives from the various political parties. This is not the situation at the present time.

Before I came down to the House I looked at the parliamentary guide, and noted that recent figures show that the representation in the Senate is made up of 85 per cent of appointees by the government and some 15 per cent of

appointees from this side of the House. This is not a balance. If we have a Senate made up of that proportion of representatives of the two political parties we really are not getting a proper representation so far as the people of the country are concerned. At this time I should like to call it one o'clock if I may, Mr. Speaker.

Mr. Reid: I rise on a point of order, Mr. Speaker. Earlier when we dealt with the notice of ways and means motion Mr. Speaker indicated that unanimous consent was required before a bill based on the notice of ways and means could be brought forward. I should like to reserve my right to argue the point, perhaps on Monday, that the 48 hours' notice is not necessary once the notice of ways and means motion is accepted by the House. In that situation there is authority to bring forward a bill.

Mr. Deputy Speaker: I do not wish the remarks of the hon. member to be considered as a precedent of a 48 hours' notice to debate the point of order in respect of the 48 hours' notice.

It being one o'clock I now leave the chair until 2 p.m.

At one p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, before I called it one o'clock I was referring to the imbalance in representation in the Senate and I mentioned that at present about 85 per cent of the Senators are Liberal appointees, about 15 per cent are Conservative appointees, and there is a small handful of independents. I think it is important to point it out, because this imbalance creates such a situation that I do not believe the Senate can function properly.

It seems to me that the government should quickly call together a committee made up of representatives of all parties in the House to study and examine the Senate as it stands at present, to give consideration to the reorganization of the other place, and to see what changes we can make in the Senate to enable it to make a sound and active contribution to the government of the country.

In the meantime I hope that the government will give serious consideration to the manner and method of appointment of the two Senators for the territories. I hope that the amendments that we have before us today in Bill C-3 were made for the purpose of making positions available for people of integrity, people who could contribute, and not just for the purpose of making a place for some political hack. I feel it is important in both cases that the person who is appointed should have stature in the territory and the respect of the residents of that territory. He or she should be a person who has been a leader in the area, should be a person who is apolitical, and does not have political ties.

Furthermore, I think serious consideration should be given to naming a native person as a Senator from one of the territories, preferably someone of the Inuit race. The hon. member for the Northwest Territories (Mr. Firth) has indicated that he feels that under the present provisions in the BNA Act it would be almost impossible for any native person in the territories to qualify as a Senator. I have had the opportunity to examine the BNA act and I find that under 23(3) there is a requirement that anyone who is appointed to the Senate own lands to the value of $4,000 over and above his debts and liabilities. I realize that many of the native people in the territories could not qualify because they do not own land in their own right.

I feel it is incumbent on the government to bring in an amendment to the BNA Act with respect to native people to permit them to qualify as Senators without having to comply with these specific requirements. I believe that if the government, in filling these key positions, follows the criteria that I have mentioned, it will show the public that the Senate does have a place in the government of our country and it can serve a useful function.

On the other hand, if the government proceeds in the same manner as it has in the past with regard to the appointment of Senators, I am sure that the public will continue to feel that the Senate is a rather useless place to which we send people who have served their political parties over the years. We on this side, as well as the public generally, are looking forward with interest to seeing who the candidates will be for appointments in the Senate from the Northwest Territories and the Yukon.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I rise to speak for only a moment on this subject. I thought that since there has been so much concentration from the other side on who might be appointed to these positions, we should rather think for a moment about the principle underlying this legislation.

● (1410)

I am very pleased that three years after the special joint committee on the constitution of Canada presented its report to the House and the other place, the government is now bringing forward in legislative form many of the recommendations of that committee.

I think the hon. member for Northwest Territories (Mr. Firth), who just spoke, had a point when he mentioned the difficulties to be faced in the appointment of a person of native race to the Senate. This relates not so much to the bill before us, however, as to the requirements for a member of the Senate. If he and other hon. members look at the report of the special joint committee they will find that we had something to say on this point as well. It is high time that the present qualifications were changed, not by way of exceptions for the native people, although indeed they are worthy of exception if one were needed, but because such qualifications are now purely anachronistic.

We do not need another study or commission to consider what needs to be done with the Senate. That question was canvassed by the joint committee on the constitution, and those of us who served felt that, as at the time of confederation itself, this was the single most controversial question before the committee. After some meetings we were able to come up with a consensus on the Senate which included doubling the number of senators from western

Canada. I know that will strike a responsive chord with many hon. members opposite.

This bill is something which is overdue. I am very pleased that it is now before us, and I hope it will be followed by other pieces of legislation also emanating from the report of the committee on the constitution.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to say a few words on this bill. I certainly agree with the purpose of the bill which is to give the Northwest Territories and the Yukon representation in Canada's second chamber. I think that, more than most, this bill will provide a means of fulfilling representation at a level of government which is represented by area. I shall speak on this a little later in relation to our problems on redistribution in this chamber and the relationship of the other place to this chamber in representing areas in Canada.

I believe that the Senate has a recognized role in our government. Even though it is balanced in favour of one political party I feel it does give some input to our governmental process.

I feel that more could be done by the Senate, perhaps by way of introducing bills that are not controversial but are highly technical, because I think the Senate has more time for such study. They have people who can give considerable thought to bills of a special nature such as commercial, financial or cultural, and perhaps they are not quite so restricted by party politics as we in this chamber. Unfortunately, at the present time there are not enough people to give the Conservative viewpoint, but nevertheless I feel that the other place has contributed to the work of this chamber.

On occasion I have been critical of Senate committees although I can think of such worth-while endeavours as the Senate Committee on Poverty and the good job a committee did on the white paper on taxation. I believe that work was useful to us in considering the subsequent legislation.

When considering the recent redistribution of seats, the problem of representation at Ottawa came to the fore. We in the House of Commons have endeavoured to have representation by population. By allowing up to 25 per cent tolerance between urban and rural ridings we recognize that such small provinces as Prince Edward Island have less representation than they are entitled to were they strictly represented by population. Similarly, New Brunswick has less members than is normal. There has been considerable discussion about whether some of these voids might be filled by a better balance in the Senate, and whether the other place could fulfil something that the House of Commons does not.

Whether we like it or not we have always had a great deal of regional government. One region of the country has been dominant in government for some time, and then has been replaced by a predominance from another region. There is no doubt that the province of Quebec and central Canada, with their large populations, have made the rest of the country seem like onlookers on the government scene. This imbalance might be removed to some extent by having representation in the other place that would protect the smaller provinces.

It is perhaps significant that provinces like Ontario and Quebec are in the centre of the country, flanked by the relatively small four eastern provinces and the four western provinces which are not small but have nothing like the population of Quebec and Ontario. If the western provinces and the maritimes had the population, and Ontario and Quebec were divided into smaller provinces, of course it would have been a different country.

I think we could look at the possibility of the provinces having a hand in making appointments to the other place when vacancies occur. As the west matures I think there is a growing feeling there that it is not adequately represented in Ottawa, and if this feeling persists it could lead to even greater regional strains than we already have.

The tradition of appointments to the other place being made by the party in power may have seemed a good thing in the beginning, and had the political parties alternated with reasonable frequency perhaps no great harm would have been done. I think there is much to be said for keeping close to this House those people who have finished serving their time as members. Let us keep them near us so that they can offer us the benefit of their political experience. Their opinions will be valuable in giving cohesion to our political process.

● (1420)

The Conservative party was the governing party in the first years after confederation, but the Liberal party has governed for most of the past 60 years. Consequently representation in the other place is not balanced. That is why I think an alternative way of making appointments should be considered.

Canada is a regional country. When the pendulum swings back and allows the Conservatives to assume power, it is possible my party will stay in power for as long as the Liberals have governed. This would be in accordance with the nature of our country. It is a regional country and we must do our best to give cohesiveness to this regionalism. I suggest that we have not fully taken this into account in our appointments to the other place. Perhaps it may be desirable to establish a committee of this House, to consider how there might be a better balance in future in the appointment of members to the other place.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am aware of the valiant efforts being made to discuss this bill as if it were a serious matter. But I am afraid that like my colleague the hon. member for the Northwest Territories (Mr. Firth), I regard this as a Friday afternoon joke.

All this talk about bringing the north into the decision-making process is meaningless when one considers what the bill will really do. All that will happen if this bill is passed is that some time soon—I suspect it will not take long—the Prime Minister (Mr. Trudeau) will announce the appointment of a couple of northern Liberals to the other place. Incidentally, some of us have argued that there is far more value to a decision we have already made, namely that in the next parliament there are to be two members of parliament from the Northwest Territories as well as one for the Yukon. I point out that not until

1978 or 1979 will we get a second member from the Northwest Territories sitting in this elected House. I suspect that the two northerners who are to sit in the Senate will take their places in the Senate chamber in a few months. For all I know they may already be in Ottawa, waiting for the invitation to take their seats in the other place.

Mr. Lambert (Edmonton West): The list is long.

Mr. Knowles (Winnipeg North Centre): I hear my hon. friend from Edmonton West (Mr. Lambert) commenting that the list is long. This morning my colleague from the Northwest Territories said that no self-respecting northerner would accept the appointment, and the jest came from all parts of the House to the effect that there is a long waiting list. I suggest that such comments only show very clearly the ridiculous nature of this proposal. It has nothing to do with the good governing of Canada or the rounding out of the parliamentary system. It has nothing to do with providing a greater say for the people of the north. This is just a provision to give two more Liberal appointees a spot in that other place.

Mr. Lambert (Edmonton West): They might even offer you a spot, Stanley.

Mr. Knowles (Winnipeg North Centre): My hon. friend says they might even offer me a place. Well, that just proves we are having good fun on Friday afternoon.

Mr. Neil: Would you turn it down?

Mr. Knowles (Winnipeg North Centre): My hon. friend knows that I have repeatedly said I would not accept an appointment to that other place.

Mr. Stanfield: How about an appointment to the bench, Stanley?

An hon. Member: The gate should never be closed.

Mr. Knowles (Winnipeg North Centre): It has been suggested that the gate should never be closed. That reminds me of a conversation I had some time ago—let us not put a time limit on this—with three friends of mine in the other place.

An hon. Member: So you have friends there?

Mr. Knowles (Winnipeg North Centre): I thought that remark would produce that retort. Yes, I have friends over there. I became involved in a conversation, some time ago, with three of my friends in the other place who were trying to persuade me that I should go over there. I said it was a nice place to visit but I certainly would not want to go over there to stay. At any rate I argued with them in every way I could. I said, "You know what I think of the Senate and you know what I have said about it in the House of Commons. You know I keep introducing a bill to abolish the Senate. Why do you want me over there?" They said they had quite a few people over there who had been opposed to the Senate before being appointed to it, and that they had become good Senators. I said that would not apply in my case. At any rate, I tried all my good arguments to show why I would not consider a Senate appointment, and got nowhere.

[Mr. Knowles (Winnipeg North Centre).]

Finally I said to those three friends, all of whom were in the Senate before there was an age limit—in other words, they were appointed for life—I said, "Look, I am now 66 years old, almost 67. If I go to the Senate I can stay only eight years or so; but in the House of Commons I can stay as long as I can get elected." They could not answer that. They liked the idea of their appointment being permanent, for life.

Let there be no question about it. I join the self-respecting northerners mentioned by my hon. friend from the Northwest Territories. I would not consider such an appointment in any circumstances.

What has the Senate done lately? What do Their Honours have to their credit, this year? They amended a bill of ours a few weeks ago. This House passed a bill which, among other things, provided that officers and directors of a corporation under certain circumstances could be held personally responsible for the wrongdoings of their companies. When the bill arrived at the other place, they—there are quite a few directors sitting over there—amended it, striking out the words "officers or directors" in all places in that bill where this House had inserted them. I was concerned when this House so supinely accepted the amendments. But that was the Senate's main contribution to the legislative program this session. It protected the position of officers and directors of corporations.

Of course the main activity over there was well documented the other day in a column in one of our daily newspapers which pointed out that the Senate is really the right arm of the Liberal party. After all, most of the people who are at the top level and run that organization must have some base from which to operate, must have some guarantee of their daily bread and butter; so they sit in the Senate and run the Liberal party from that place. All we shall do, if we pass this bill, is provide for two more persons to be part of the right arm of the Liberal party.

When my hon. friend from Moose Jaw (Mr. Neil) spoke a while ago he said the Senate consisted of 85 per cent Liberal appointees and of 15 per cent Progressive Conservative appointees, and a handful of independents. Of course even those so-called independents are part of the first group. They may contend they are independents, but they are Liberal appointees. That is all we shall get from this bill—just two more Liberal appointees. And we shall get them right away.

Mr. Paproski: They are saving a spot for you, Stanley.

● (1430)

Mr. Knowles (Winnipeg North Centre): Was the hon. member not here a few minutes ago, or do I have to go over all that again? Certainly those of us who are practically always here on Friday afternoons have fun. There is no reason why a place as serious as this should not get light once in a while and indulge in a bit of jest. However, I submit that the humour being expressed respecting this bill really shows that, for all of the attempts that have been made to make serious speeches, we do not have respect for the non-elected other chamber in this parliament.

It is a downright insult to the citizens of northern Canada to suggest that, by giving them these two spots in the other place, we are doing something for them. In his speech before lunch the hon. member for Northwest Territories suggested that one ombudsman for that area would be of far more value to the people of the Yukon and the Northwest Territories than two northern Liberals sitting in the other place. If this House is determined, as apparently it is, to go through with this proposition, I suppose it will do so, and we should not spend too much time on it. However, let us not think we are doing anything concrete for the north, or for Canada, by increasing the size of the other place.

This leads me to say that what we should be doing about the other place is to reduce its numbers, not increase them. I noted the comments made by the hon. member for Windsor-Walkerville (Mr. MacGuigan) about the report of the joint committee on the constitution of Canada. I do not blame him for standing up and boasting of the fact that that committee made representations respecting the Senate. As he knows, the Senate barely survived the discussions and the vote in that committee. Instead of a recommendation to increase the number of Senators from some parts of the country, there might well have been a recommendation that it be abolished.

At this point, I should like to do, as I always do quite sincerely in this kind of a speech, that is put in my caveat about this not being criticism of individuals in the other place. There are some over there who are more hard-working than some individuals in this place. I see them around here. They are on the job. They are sincere in what they are trying to do. It is the whole idea that persons who are not elected and not responsible to anyone, not even to the Prime Minister (Mr. Trudeau) who recommended them in the first place, or to the Governor General who summons them there, should have a say in the passing of the laws of this country equal with the say that is given to us who are elected by our people and are responsible to them—it is that whole idea I criticise.

There are one or two things about the bill that should be looked at in committee if it gets past second reading. As has been pointed out, it is a requirement of the British North America Act that Senators shall have a certain residence requirement. In Section 23(5) of the British North America Act there appear these words: "He shall be a resident of the province for which he is appointed." By passing this bill are we going to declare that the Yukon is a province and that the Northwest Territories will be regarded as a province? Where will these persons reside? There is nothing on that in Bill C-3.

Mr. Lambert (Edmonton West): "Notwithstanding anything—".

Mr. Knowles (Winnipeg North Centre): Do you find anything that says "notwithstanding"?

Mr. Lambert (Edmonton West): Yes, "notwithstanding anything contained in the British North America Act".

Mr. Buchanan: We used to have members from the Northwest Territories.

Mr. Knowles (Winnipeg North Centre): In the Senate?

Mr. Buchanan: Yes, four of them.

Mr. Knowles (Winnipeg North Centre): You are talking about the Northwest Territories when they included the part of the country that the member for Edmonton West and I now represent.

Mr. Lambert (Edmonton West): Yes, but they have not changed. All they did was put in provincial boundaries.

Mr. Knowles (Winnipeg North Centre): I might say that at one time we had members of a second chamber in the province of Manitoba, as they did in Nova Scotia, but in those provinces we got sensible a long time ago and got rid of them. The last remaining upper House in a provincial legislature was in Quebec, and they got rid of it a short while ago.

Mr. Lambert (Edmonton West): That is irrelevant.

Mr. Knowles (Winnipeg North Centre): The hon. member says it is irrelevant, but I do not see anything in those words that gets around the requirements of the British North America Act with respect to the Senate. If the hon. member is trying to say that those words in the first line wipe out the residential qualification, do they also wipe out the qualification that the Senator must have $4,000 worth of real property?

Mr. Lambert (Edmonton West): I would think so.

Mr. Knowles (Winnipeg North Centre): Do they also wipe out the requirement that he must be at least 30 years of age?

Mr. Lambert (Edmonton West): Presumably.

Mr. Knowles (Winnipeg North Centre): This is great legal advice I am getting on the constitution.

Mr. Lambert (Edmonton West): It says "notwithstanding", almost even the title.

Mr. Knowles (Winnipeg North Centre): This is very interesting legal advice that is coming from the hon. member for Edmonton West (Mr. Lambert), and when it is free you look at it a second time.

Mr. Lambert (Edmonton West): Yes; but, Stanley, you are just thinking on your feet now.

An hon. Member: Wait until you get the bill.

Mr. Knowles (Winnipeg North Centre): I have it in front of me. I will give my interpretation of this, and I will also give it free. The phrase "notwithstanding" relates to what this bill does, which is to increase the number who sit in the other place. At the present time the British North America Act sets a limit on the number that can be in the other place, normally 102, plus a certain group that can be added for emergency reasons. All that "notwithstanding" does is set aside that number and permit the House to increase the number of persons in the other place.

Mr. Lambert (Edmonton West): That may be one interpretation.

Mr. Knowles (Winnipeg North Centre): The hon. member for Edmonton West has one interpretation and I have another. Either interpretation produces laughter in various parts of the House. I suggest that shows how careless has been the preparation of this bill and how big a joke this whole thing is.

Mr. Deputy Speaker: The Minister of Indian Affairs and Northern Development (Mr. Buchanan).

Mr. Watson: Mr. Speaker, I rise on a point of order. If the minister's remarks will close the debate—

Mr. Knowles (Winnipeg North Centre): This is not his bill.

Mr. Buchanan: This is a bill of the President of the Privy Council (Mr. Sharp).

Mr. Deputy Speaker: It was introduced by the President of the Privy Council.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am happy to support the bill of my colleague, the President of the Privy Council (Mr. Sharp).

Dealing with the comment raised by the hon. member for Winnipeg North Centre (Mr. Knowles), the concept of the bill is not new. Prior to 1905 the Northwest Territories were represented by four members of the Senate, when the Territories included all of what is now the provinces of Alberta and Saskatchewan, a large part of Manitoba, the northern part of Ontario and the northern part of Quebec. With the creation of the two new provinces of Alberta and Saskatchewan, these Senate seats were allocated to them. Since then suggestions have been made from time to time, and from various quarters, to correct this situation and provide the north with a larger voice in parliament.

Members recently indicated their support for this principle when they gave approval to Bill C-51, to create a second seat in this chamber for the Northwest Territories. Today we have an opportunity to go one step further, and I sincerely hope that all members will lend their support to this measure.

The people of the north are developing an increasing interest and awareness of their affairs. They wish to participate more actively at all levels. I am sure that both the hon. member for the Northwest Territories (Mr. Firth) and the hon. member for the Yukon (Mr. Nielsen) will attest to this.

● (1440)

I might add that the Northwest Territories Council is on record as supporting the provision of territorial representation in the Senate. The Council's representatives made this point clear when they appeared before the Standing Committee on Indian Affairs and Northern Development approximately one year ago and indicated that the Council had unanimously endorsed this bill when it was before the previous parliament. I have no doubt the people of the Northwest Territories look forward to being represented in both Houses of Parliament again. Nor do I have any doubt that the people of the Yukon want their own Senator.

[Mr. Lambert (Edmonton West).]

It is as important to increase the northern voice at the national level as it is at the territorial and municipal levels. The provision of Senate seats for the two territories will provide additional opportunities for the expression of the northern viewpoint in parliament, and improve communications between Ottawa and the two territories at the parliamentary level. I have no hesitation in recommending that all hon. members give favourable consideration to this bill.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have been engaging in an exchange of legal opinion here in connection with the wording of this bill.

An hon. Member: With that other lawyer.

Mr. Knowles (Winnipeg North Centre): Neither of us charged the other.

Mr. Lambert (Edmonton West): Notwithstanding that, there is no doubt that further comment will be made in the committee when the bill is under consideration there. I have always been amused at the attempts at levity made by the hon. member for Winnipeg North Centre (Mr. Knowles). He said that the efforts which he called fun and jokes—and incidentally he did not recognize that there was some rather sharp shafting being included in that levity—were a measure of the lack of concern, or contempt, that the House holds for this particular provision. All I can say is that the hon. member for Winnipeg North Centre unfortunately takes himself too seriously when he is sententiously expressing the opinion of one person—himself—particularly so on this point.

In so far as hon. members make strictures with regard to the other place, I would like to say that they are perhaps lucky that in the other place they do not make strictures about reducing the size of this overgrown chamber, and I may say I can say that because I am a member of this place. The proposal to bloat it out of proportion that we blithely adopted in the legislation considered earlier this session was a serious mistake, I think, for the future operation of this chamber. Be that as it may, I would hope that some hon. members feel that some of the more able of their colleagues or contemporaries in the other place would be restrained or constrained from making similar remarks about eliminating parts of the House of Commons, or perhaps one of these days we will see a proposal in the other place to do precisely what the hon. member for Winnipeg North Centre tries to do at a stroke of the pen, likely his own, to wipe out the other part. That is the easiest way to eliminate differences of opinion—just strike them out.

I can think of no greater danger in Canadian democracy than the tyranny of a temporary majority. We have seen temporary majorities here run away with ideas. In 1970, for instance—and I know the hon. member will gladly subscribe to this—in October, 1970 it was a temporary runaway majority, a stampede of opinion, which created terrible precedents in this country, and we will live to regret it.

I welcome the provision now before us if only, Mr. Speaker, because many times in schools that I visit in my constituency I am asked to trace through the structure of Canadian government in Canada. I am asked to trace back

to the days of Confederation and to say why the Senate was proposed, why it was established.

Some people feel the world was discovered yesterday. But many of the problems faced in Canada today are merely a translation into a present-day picture of a problem which existed in the 18th century, for example, the question of disparity of language, the disparity of people in the Atlantic provinces as compared with those of Central Canada.

It is heard quite frequently, both in the Atlantic provinces as well as out in the west, that the people in Ottawa, Toronto and Montreal think that all that is good for Canada are the things that are good for their areas. In other words, if it's good for Central Canada it has to be good for the rest of Canada. It is precisely that spirit which existed in Nova Scotia, New Brunswick and Prince Edward Island back in the 1860's. One of the ways to counteract this oppression by population, this potential injustice, was to have a Senate in which the representation was disproportionate. In other words, by giving 24 Senate seats to the Atlantic provinces, 24 to Lower Canada, 24 to Upper Canada and 24, in the end, to Western Canada, some counterbalance was created against this mass of population in favour of smaller regions with smaller populations. That was the theory. It hasn't always worked out.

I think that the constitution of the Senate, that is, the naming of members, the practices of governments and prime ministers, all have eroded the proper status of Senate representation. I think the Senate has far greater potential than has been expressed by it. After all, it lies within the hands of government first of all to appoint members, and I think the government could quite readily name individuals to the Senate from all parts of the country, whether or not they are necessarily recognized by reason of party service, or have been effective political bagmen, or wanted to become effective bagmen, or because they are needed on some kind of part-time salary ready to become national chairmen, or for any other ulterior reason.

But even among those men who are appointed for the reasons I have outlined, I must say that there have been some excellent workers in so far as the country is concerned. There have been men and women of energy, and I do not wish to pick out any particular individuals. However, let me say that I do not think that outside commentators should point at one or two individuals in the Senate and condemn the whole institution. If it were all right to do such things, then some of the reputations in this House would not be very high either. Of course, the same could be said of newspaper editors, university professors, by anybody who wished to cast stones. They need only pick the poorest representatives in their class and give them a general classification, and we would all be in the same boat, somewhere down at the bottom of the heap.

● (1450)

Notwithstanding what the hon. member for Northwest Territories had to say this morning, I do not see that an ombudsman named both for the Yukon and the Northwest Territories would add one cubit to the effectiveness of government for the people in that area. Is it to be an ombudsman between the people and the Northwest Territories council, the administration there, or between Yukoners and the Yukon administration, or is it to be an ombudsman vis-à-vis the whole of the federal administration?

So far we have not appointed a federal ombudsman, and I may say that I am not too sure it would be as effective as a provincial ombudsman. I do not know that a federal ombudsman is necessarily the answer but, leaving that aside, so far as representation of the people in the territories is concerned, it seems to me that we have a classic example of a territory that so far is economically lightly developed, with a very small population, in the same way as we would consider, say, Prince Edward Island was at the time of confederation.

Mr. Stanfield: Oh, they had a much higher degree of advancement.

Mr. Lambert (Edmonton West): With all respect to my leader—

Mr. Stanfield: You must be careful!

Mr. Lambert (Edmonton West): Mr. Speaker, he tells me I have to be careful. I am not talking about their intellectual development. If my leader continues this too far he might find himself in trouble in Yellowknife! Let us look at the relative picture. I think there is some similarity between the time of confederation and today in terms of the degree of population, the density of population, of Prince Edward Island and Upper Canada, compared with the territories vis-à-vis what we call southern Canada, and so far as the relative degree of economic development is concerned.

Looking back 115 years, in some areas of Canada it was thought right to have Senators in addition to members of the House of Commons. In terms of population alone, neither of the territories really deserves representation in this House. In other words, there is an over-weighting even on the basis of their representation by one member each. After all, my own constituency has four times the population of either of the territories, yet there is still equal membership.

I have no objection to that. Even without direct contact with the area it is easily recognizable that both hon. members who represent those areas today have a great physical problem in getting around to see all their constituents. Not only is it a physical problem, it is also monetary. Surely representation in this place on behalf of that vast territory, the Northwest Territories, and the geographically less extensive Yukon territory, would be enhanced by representation in the other place, and I cannot see why not.

I must say I find it rather difficult even to take half seriously the criticisms of the hon. member for Northwest Territories to the effect that there would be difficulty in finding people from the territories, that so many people would be disenfranchised and would not be entitled to appear in the Senate. I cannot agree with him there.

Mr. Knowles (Winnipeg North Centre): You think you will be able to find two all right?

Mr. Lambert (Edmonton West): Yes. Let me say that if you really want to dig into it there are a lot of people, true northerners and not transplanted southerners, who are, without my trying to be in any way patronizing, wise and educated, and what we call natives of the Northwest Territories, and they would be an addition to the other place, as they are to this place. I would be the first to defend the appointment of my old friend Jim Gladstone to the Senate, at a time when a lot of people derided it. They said we were taking a prairie Indian and putting him in the Senate, and that, aw shucks, this would accomplish nothing.

However, the appointment of Senator Gladstone and the work he did among the native Indians to bring them to the position of voting, and then convincing them that they should exercise their right to vote, is an historical fact. Doubtless members recall the difference between the election of 1962-63 and other elections as to the exercise of the ballot. I was with Senator Gladstone, and I know that immediately following passage of the act in 1962 that allowed treaty Indians who hitherto had not had the right to vote to exercise their ballot, there was a great deal of suspicion and uneasiness. After all, this was something unknown. That this suspicion was dispelled was due largely to the efforts of Jim Gladstone.

I am sure there are scores and scores of people in the Northwest Territories and Yukon, whether they be Indian, Eskimo or, not strangers to the place, but white men who were born and raised there, and who have the spirit of the Northwest Territories in their blood just as much as anybody else in the provinces have the spirit of the provinces in their blood, who would be suitable for appointment.

This might offer the Prime Minister (Mr. Trudeau) an opportunity to change his policy with regard to appointments to the Senate. He could take some independent-minded people and those of other parties and appoint them to the Senate, considering the value of the individual concerned for his or her own intrinsic worth and the contribution that they could make.

Mr. Knowles (Winnipeg North Centre): He is the fifteenth Prime Minister who has had that opportunity.

Mr. Lambert (Edmonton West): There is always a first time. I hope these two Senators will be named and that they will take their place there. We are going to see two additional members from the territories in this House around 1978 or 1979. One might say this is going to be disproportionate representation, but bearing in mind that the over-all ceiling of this House is going to rise up like dough rising in a warming oven, this number will not be out of line with the sum total representation of the rest of the country. Again I regret the increase in the size of the membership of this House because I do not think it is going to work toward its efficiency.

Mr. Knowles (Winnipeg North Centre): They will have to be pretty thin.

Mr. Lambert (Edmonton West): They would certainly have to be thinner than me. However, you would be surprised how those of us who are squarely built, like myself, get along well. In any event I commend the bill to the hon. members of this House. I am sure there will be some representation, notwithstanding what was said by the hon. member for Northwest Territories, and I am sure that the majority of the people in the Northwest Territories are in favour of this particular bill.

[Mr. Knowles (Winnipeg North Centre).]

● (1500)

After all, it is only since 1972 that the hon. member has represented the Northwest Territories, and there are people there of political persuasions other than his. In fact, I am sure there are more people of non-New Democratic persuasion in the Northwest Territories: the hon. member does not speak on behalf of the real majority of the people in the Northwest Territories. He is the elected member representing that area and he has given us his opinion. I am sure that if it were put to all the people in the territories, there would be a majority in favour of the bill.

I commend the bill to hon. members with the hope that in due course the Standing Committee on Justice and Legal Affairs will see fit to pass it and recommend it to the House for ultimate inscription in the statutes of this country.

[*Translation*]

Mr. Ian Watson (Laprairie): Madam Speaker, though the government justifies this bill saying that the Northwest Territories and the Yukon will be better represented, I feel that it is ill-advised, and find it difficult to accept the increase in size of a group that is neither elected nor, in fact, representative of the population.

[*English*]

Mr. Speaker, I find it very difficult to accept this bill and I intend to vote against it. I do not oppose it because I quarrel with the legitimate desire of northerners to have additional voices here in Ottawa, and that is certainly one of the aspects which is on the plus side for northerners. My objection is that while we are talking about Senate reform we should not be proceeding in the direction of increasing the size of that place, at least before we have given serious consideration to such proposed reform. I think the government is out of line completely in moving on this bill now. It has made promises over the last generation, and certainly in the last few years I have been here—

Mr. Knowles (Winnipeg North Centre): And ever since I have been here.

Mr. Watson: —the government has made promises to move toward Senate reform, yet we are here debating a measure to increase the size of that body which is non-representative and non-elected. We should not be doing this. We are going to increase the size of the representation of the Northwest Territories in this House when the next election occurs. We have passed that bill, and it seems to me that the change we are discussing today could have waited until we had an indication of the direction we intend to take on Senate reform. In spite of the fact that northerners may feel they are getting some kind of additional representation by having two senators, the method that has been generally used in selecting senators up to now does not lend much support to the theory that they are really representing anyone.

I would argue that northerners need more visits from members of the House of Commons. We have a committee that is responsible for Indian affairs and northern development. That committee put itself on record as being in favour of annual visits to each of the territories. It is part of the function of that committee, perhaps not all of its members at one time but the members of sub-committees appointed for that purpose, to visit the north on a regular basis, listening to the people and supplying them with an additional means of influencing the decisions made here in Ottawa.

The people in the north are in a different constitutional category from other Canadians in that these areas are not provinces. Judging by size of population, it will be a long time before they become provinces. Major changes have taken place in the viewpoint of Canadians toward resources generally. We now realize that there is perhaps no more important element in our economy than the natural resources spread across the country, 40 per cent of which are located within these two territories if our geological theorists are to be believed. Those two territories represent approximately 40 per cent of the total land mass of this country.

Given this change in the Canadian attitude toward resources, I think it is reasonable to expect changes in our thinking on the constitutional development of these Territories in the coming years. This bill is a mindless sort of move to implement promises of the past. It is an unthinking-forward motion resulting from past promises and it is ill-timed. Because of the prior need for Senate reform and possible changes in our thinking and approach to the constitutional evolution of the Northwest and Yukon Territories, I intend to vote against the bill.

Mr. Jake Epp (Provencher): Madam Speaker, I should like to make one or two comments prior to the passage of this motion on Bill C-3. After listening to the hon. member for Winnipeg North Centre (Mr. Knowles), I got the impression that while he is consistent in his view about rejecting acceptance of the Senate out of hand, he feels that if a person agrees with his point of view he must be serious, but if he does not he must somehow be looking at this matter in a flippant way. While I appreciate the hon. member's consistency in his point of view, I find it a little difficult to accept that idea. I do not accept that kind of condemnation.

In respect of representation of the north and Senate reform generally, I appreciate the views expressed by the hon. member for Laprairie (Mr. Watson). As parliamentarians, we are liable to a lot of criticism as a result of the impression held by many Canadians about the role of the Senate. According to the terms of the British North America Act, the Senate has two very specific functions to perform. It is supposed to be the place of sober second thought on legislation passed by this House. When you consider the age of some of us, perhaps that sober second thought is needed more today than ever before. That is a matter of opinion.

In the past, the Senate has performed many useful services to the parliamentary process. It has taken a second look at legislation and has possibly seen it from another perspective. From that point of view, the existence of the Senate is of real value. This takes me directly to the subject of area representation. It is said that the Senate is based on area representation but I do not believe for one minute that anyone in this House would really try to support that argument. Senate representation is really approached or accepted on the basis of compromise. If area representation in the Senate is to be valid, a new formula of representation will have to be considered during our discussions on Senate reform.

● (1510)

When we have a situation where a province such as Quebec or Ontario has 24 senators while the whole of the west has 24, I do not believe we have area representation. Also, I believe senators have been appointed through the political process. Often they have received their appointments for political favours given in the past. This process has been followed by both Liberals and Conservatives. In this way senators are compromised: when they reach the Senate they will not bite the hand that feeds them.

We have heard the arguments in respect of provincial rights with relation to natural resources. In that case, do we hear the members of the other place fulfilling their role as area representatives or, rather, do we hear them voicing the official party position on this question? It is my thinking with regard to a review of the British North America Act that it is incumbent upon senators to find out what the area views are and to express them no matter to what political party they belong. If there is to be Senate reform, senators first and foremost should protect provincial or area rights rather than vote according to official party lines.

In the joint committee on the constitution a recommendation was made that representation from the west be increased by 12 senators. I do not believe that in any way addresses itself to the problem. I do not believe that by this means area representation would be improved. While I support Bill C-3 in principle because I want to see representation from the north, I do not believe for a minute it contributes to the principle to which I am referring. It is my opinion that if the Senate is to be representative of the areas of Canada, it should reflect that representation on the basis of numerical equality rather than on the misconstrued formula which we have at the present time.

One of the objections that we as public officials receive comes from people who in effect ask what the senators are doing. They ask whether they are simply being paid off for favours rendered in the past and whether they simply become the right arm of the political machine or organization of the party to which they belong. I raise this matter very sincerely, Madam Speaker. I do not believe it is in the interest of parliament or the attitude we want to develop within the Canadian public, namely, of respect for the parliamentary process, that senators should take on a leading role in the party to which they belong.

The image of the Senate and parliament which the public seems to receive is that an attempt is being made to perpetuate the political process of the various parties rather than to carry out the responsibilities under the BNA Act, which are, primarily, that the Senate be a sober second-thought legislative body and that there be area representation. I say seriously that I do not see area

representation being given a very prominent position. I suggest that when members of the Senate take leading roles within the party, it compromises their position as senators in respect of their first responsibility and also destroys the confidence of the Canadian public in respect of the parliamentary process.

Senators are paid from the funds of the taxpayers. If they spend the majority of their effort in the interests of their parties, surely this is not the role of senators. I should like to see reform in that regard. This might not necessarily be related to Senate reform, but I think it is incumbent on all parties today to see that the Senate performs its constitutional role rather than a role which might be politically expedient at a given time.

In respect of reform of the Senate other than the question of area representation to which I have referred, the political question and the salaries senators receive, I believe senators should be appointed for a certain period of time. I do not believe the qualification in respect of age 75 is really any great factor. I think senators should be appointed, for example, for a five-year period and that the Prime Minister should have the constitutional right to reappoint them for one further term, let us say, for a total period of ten years.

In that way I feel a senator would know he had a specific period in which to work in the Senate, and because of that might fulfil his responsibility more faithfully. If a senator had fulfilled his responsibility, he would be eligible for a second term. I think this is a concept which should be examined. The public image of the Senate might be enhanced, because the people would know that senators were appointed for a period in order to provide service to their country.

I am in favour of the Senate. I want to see these reforms take place in order that the Senate may function better. I reject out-of-hand suggestions concerning abolition of the Senate. I want to see the bicameral system continue. Having said that, however, I believe that when there are difficulties we must not hide our heads in the sand and say there is no cure. I believe that when it becomes apparent that changes will take place, a change in public opinion will be reflected. So I intend to support this bill but, again, I wish to stress that we should seriously look at Senate reform and not merely talk about it. We should bear in mind that the Fathers of Confederation saw the Senate as a necessary function of the political process.

Mr. Joe Clark (Rocky Mountain): Madam Speaker, this will be one occasion in the House of Commons when I will support an initiative of the Minister of Indian Affairs and Northern Development (Mr. Buchanan).

An hon. Member: It is not his.

Mr. Clark (Rocky Mountain): After looking at the signature on the bill, I find it is much more difficult for me to support an initiative of the President of the Privy Council (Mr. Sharp) than it is to support one by our generally, at least, good natured colleague the Minister of Indian Affairs and Northern Development. However, I believe this matter is important enough for me to overlook its sponsorship by the President of the Privy Council.

[Mr. Epp.]

I think we must bear in mind that this initiative has been discussed many times and has been approved by all the major spokesmen for the Yukon Territory and the Northwest Territories except, as we heard earlier today, the present member of parliament for the Northwest Territories (Mr. Firth). It is a matter of record that the Council of the Northwest Territories—both its influential, appointed members and its less influential, elected members—has expressed itself in support of this principle. The same position has been taken by the Council of the Yukon Territory and has been stated very clearly by my colleague who has represented that region so effectively for many years in this House. So I think it is clear this is a measure which receives the support of the great majority of the people of the territories.

● (1520)

I must say that I am rather surprised that my colleague the hon. member for Northwest Territories has chosen this occasion not to support an initiative which would add to the capacity of his region to express its views here in Ottawa and in official circles in the whole of parliament. I regret that. I think that generally he might have come too much under the influence of his colleague the hon. member for Winnipeg North Centre (Mr. Knowles) whose views on the other place are very well known.

I want to say in passing that I had the opportunity once to serve as a chauffeur to the late Woodrow Lloyd who was a distinguished premier of Saskatchewan and a member of the party of my colleague, the hon. member for Winnipeg North Centre, shortly after he had lost an election there. I asked him why he had lost the election, and he told me he had lost it because there was no Senate in the legislature of that province to which he could elevate some of his colleagues who had lost their effectiveness on the hustings but whom he could not dislodge.

There are some practical reasons which would recommend themselves even to the colleagues of my friend, the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): That is an even more unkind comment than I sometimes make. So the other place is just a dumping ground, is it?

Mr. Clark (Rocky Mountain): To a certain degree, in the recent debate on this question the point has been missed. We are not talking about whether or not the Senate of Canada should continue to exist. It does exist. The bill before us is not a bill to do away with the Senate; it is simply a bill to make it a more representative national institution. That is what we are discussing, not the future usefulness or function of the Senate. The precise question is whether the two great northern territories which occupy so much of our land mass and affect so much of the future of this country should be represented in an institution which calls itself national. I think the answer to that question is clear, and that it should be so representative.

It is clear to many of us who have had anything to do with northern policy that the people of the territories have too often been incidental victims of other ideas, other ideologies and other policies proposed for other purposes here. I believe that they are the incidental victims of the policy of colonialism which, unfortunately, is rampant in

the northern development section of the Department of Indian Affairs and Northern Development because there is a determination among several well entrenched bureaucrats there to hold on to power in the northern territories. The capacity of the people of those two territories to have some degree of self-government has been delayed for far too long.

I, for one, would most strenuously oppose any suggestion that they should be made victims of a simple dislike of the other place by some members of the House. I think they have suffered too much from being the victims of particular ideologies that happen to seize either individual members of the House or individual public servants. I think that if the Senate is to be a national body, it must represent those people and allow them this extra opportunity to have their views expressed and their opinions count here in the whole parliament of Canada.

Let me deal for a moment with the problems of the Senate—and no one would sweep them under the rug. Of course there has been patronage, and of course it has been perpetrated by prime ministers from this party—on the rare occasions we have had them—and prime ministers from the other party. Of course, as the anecdote I recounted earlier about the late, distinguished premier of Saskatchewan indicated, the same motive would have been followed by an NDP government, given the chance. But the fact that patronage has existed does not mean, and has not meant, that some effectiveness of the Senate has been totally undermined. Quite the opposite: there have been some very effective initiatives taken and effective roles played by the Senate despite the patronage.

My colleague, the hon. member for Northwest Territories, I understand raised a good point, that the present appointment requirements involving property and a certain amount of money may well militate against the appointment of native citizens in the two territories. That is a very serious fault and I hope it will be possible at least to consider some means to ensure that the native people, who in the Northwest Territories compromise the majority of the population, will have an equal opportunity to be named to the two new appointments if this House and the whole parliament agrees to create them.

I share the reservations expressed by the hon. member for Provencher (Mr. Epp), and by others in this debate and elsewhere, about some of the recent practices of the Liberal Party in turning the Senate, in effect, into a political organization room for the Liberal Party and installing their chief executives, their chief fund raisers and chief propagandists in the other place so they can do their partisan work at public expense. That is a practice which, clearly, should be stopped. But the fact that that shameful practice is carried on as one of the functions of the Senate should not obscure our vision of the importance of the Senate on other fronts.

In my view—and I do not often offer congratulations to my colleagues across the way—there has been some modest progress in the appointments to the other place in the last number of years and, indeed, not simply in the last number of years. My own province is represented by at least two senators who clearly got there by merit, namely, Senator Donald Cameron from my own constituency, the founder of the Banff School of Fine Arts, and Senator Ernest Manning who served with distinction and success for so long as the premier of my province. Neither of them can be called Pavlovian Liberals who support the government every time it twitches. Indeed, I think that the recent evidence of independence in the Senate indicates that there has been a greater inclination on the part of the Liberals appointed there to question what the treasury benches do than we have found among the backbenchers of the Liberal Party in this House. There has been a much greater inclination for them to stand up for what they believe than there has been among some of my backbench colleagues on the other side.

Having regard to the recent record of my colleague, the hon. member for Laprairie (Mr. Watson), who spoke before me and who has left, I think that perhaps the consistent independence he has shown in this debate and others will stand him in good stead and at least offers one qualification for his elevation to the other place. Certainly, his independence would make him more at home there than it does here in the back benches of the Liberal Party.

I want to deal for moment with the suggestion that we have some sort of pure democratic system here to which the Senate is a singular affront. We have no such pure system. We have never had a system of direct democracy where one man equalled one vote. My own constituency is an example of the problems of that principle in a country as large as Canada. I represent an area of 40,000 square miles and a population smaller than that of many of my colleagues, such as the hon. member for Edmonton West (Mr. Lambert), the hon. member for Edmonton Centre (Mr. Paproski) and others who represent more compact urban areas. We have always recognized that it is in the nature of this country to allow for some variation in the principle of pure democracy. The Senate is not the single exception to that rule; there have been several others. It is, to say the least, unfair to try to single out the Senate for attack as being undemocratic in one sense or another.

The importance of the Senate—my colleague the hon. member for Provencher and others have made this point—is that it retains the capacity in the Parliament of Canada to ensure some kind of representation for the regions of Canada. That has always been important in a country that is as diverse and as liable to splinter apart as is this country, because it ensures that whatever might happen in an election there will be a vehicle open to the government to draw upon a region where it might not have been successful politically, for advice, for counsel and for the participation in government of outstanding men and women from that particular region or province.

● (1530)

The rationale of our Senate, in part, is that we must never overlook the importance to Canada of keeping in touch with the diversity and regional variation in this country. Of course, it has sometimes fallen down in that role, but the capacity is there. I suggest this is a capacity which is particularly important now because of the secret changes that have been introduced by the Prime Minister (Mr. Trudeau) in his attempt to centralize authority in a small group reporting to him and his office. This is a group which more and more reflects his own particular prejudice, even as all our views are particular and prejudiced. It reflects his own prejudiced view of the country.

By appointing people who share his particular perspective of Canada, whether it is the president of the CBC, the Clerk of the Privy Council, or whatever, he has moved away from the traditional idea that the people who make the decisions in this country should reflect as much as possible the diversity of the country. Instead of choosing those people, he has tried to choose people in his own image, and that only reflects a part of the country. At a time like this, when a system of government is being smuggled in which increasingly centralizes power in the image of the Prime Minister, it is doubly important that we maintain and strengthen an institution which can speak for the regions of Canada.

This is precisely what the bill would allow us to do in a small way. It would ensure that regions such as the north, which perhaps more than any other is left out of the day to day considerations of the centralized group who run things, would at least have the right of representation in the second chamber of the Parliament of Canada. I think that is an important innovation and one which we in this House should applaud.

I want to deal now with the opportunity that members from southern Canada have to become acquainted with the special problems of that unique region, the north. It is a region which is unique not only in Canada but in the world. It is a region which is little known to most of us here, although some of us have had an opportunity to visit it. The hon. member for Laprairie—the next senator from the Liberal side—had the opportunity to visit the north, as he told us, as a member of the standing committee.

It is clear that the composition of the population, the nature of development, the delicacy of the ecology, the capacity for exploitation of mineral development and the consequences of that exploitation, are different from the problems in other parts of Canada. It is, therefore, important that there be some continuing way in which both chambers of the Parliament of Canada, which are responsible as a whole for deciding the destiny of this country, should reflect that particular and peculiar part of the country. Of course, it is important, as the hon. member for Laprairie indicated, that the standing committee and other members of parliament should visit that unique region as often as possible.

It is helpful that the publicity attending the Berger inquiry and other such inquiries has increased an awareness in southern Canada of what is going on in the north. Some things have increased our understanding of that region, but certainly the government has been deficient in allowing a greater degree of self-government for those areas and not ending the colonial rule of the region. It is too mature and important to be ruled by a bunch of bureaucrats in an ivory tower in Ottawa.

The government has acted too often to limit the capacity of the north to make its own decisions. This bill is an exception to that general practice and allows an opportunity for the people of the territories and the interests and peculiar nature of the territories to be better known in the whole parliament of Canada. While I agree that this could be achieved in other ways, that fact should not negate the necessity and wisdom of pursuing this particular path. That is all we are being asked to do here. We are not being asked to pass judgment on the Senate of Canada, on whether there should be a Senate. We are not even being asked to pass judgment on the practice of institutionalizing the Liberal Party and its political arm in the Senate. We are simply being asked to make that institution, which like this one is supposed to be a national institution, one which is national in fact. I think this is an important initiative and it is one which I intend to support. I regret having to commend the President of the Privy Council for anything, but I commend him for bringing forward this measure and I intend to support it.

[Mr. Clark (Rocky Mountain).]

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Madam Speaker, I had not proposed to participate in this debate, but having heard some of the comments I must say that I was impressed in particular with the speech of the hon. member for Edmonton West (Mr. Lambert). I am surprised that the hon. member for Northwest Territories (Mr. Firth) would object to the suggestion that one person from the Northwest Territories and one from the Yukon be appointed as additional members of the Senate. Surely this would provide a voice that is needed for those two parts of the country. I am sure everyone in this House feels there is room for reform of the Senate. I must say that when I first came here, my answer to the Senate was simplistic—abolish it. But I think that as long as we have it, we should find ways to improve it.

An hon. Member: You were right the first time.

Mr. Cullen: The appointments that have been made, and the role taken by the Senate in the six or seven years that I have been here, have given me a new appreciation of the part that the Senate can play. Whether the appointments are political or, as the hon. member for Rocky Mountain (Mr. Clark) has said, are made on the basis of individual talent and ability, I think there is a role for the Senate to play. I do not think anyone would detract from the excellence of the report on the media that was made by that staunch and persuasive Liberal, Senator Keith Davey. There was also Senator Croll's report on poverty which I commend to all hon. members for reading or rereading.

The hon. member for Provencher (Mr. Epp) said that senators would do nothing to bite the hand that feeds them. But, Madam Speaker, they are appointed until they are 75; they do not have to worry about the hand because it has already fed them. They are very independent members in that particular tribunal and are in a position to do something for Canada.

I do not think I am betraying any confidence by saying that I have recommended two individuals, both Liberal, for appointment. Neither has been appointed yet, I might add, but I am sure that if they become members of the Senate they will lose any Liberal bias and become good Canadians.

Some hon. Members: Oh, oh!

Mr. Cullen: They will be able to ignore the political patronage aspect or feeling. In my experience, Liberals are the people who do most for this country and that is why there are so many in the Senate.

Some hon. Members: Oh, oh!

Mr. Cullen: I was surprised to hear the hon. member for Northwest Territories speak about the appointment of an ombudsman. That is why I paid particular attention to the speech of the hon. member for Edmonton West. A senator is in a position to be an ombudsman. Surely one of the first obligations of a senator or of a member of parliament is to act as ombudsman. The two new senators may be known as senators from the Northwest Territories and the Yukon, but their role will be that of ombudsman.

● (1540)

Speaking of ombudsmen, it is interesting to note that the CBC ombudsman—who does a commendable job—has at his disposal a staff of 65 and a fairly large budget. Any member of parliament who worked with a staff of 65 could do a pretty good job as an ombudsman. In addition to his large staff, the CBC ombudsman has available the services of television camera crews and aircraft which may fly him and his staff to any part of the Northwest Territories or to any other part of the country. Sometimes the revelations of the CBC program "Ombudsman" embarrass this government and embarrass the governments of the provinces and the territories. I think the role which the CBC ombudsman assumes is a proper role, a commendable one, and I commend the CBC for this program: It is a role which all members wish to assume. Independent-thinking people from the Northwest Territories and the Yukon who will be appointed to the other place will also have a role to play as ombudsmen.

One hears much talk in this House about reforming the Senate. Right now, however, we are concerned about giving the people of the Yukon and the Northwest Territories another voice in government and another voice in caucus. Since the NDP adopts the position that it does not want NDP supporters to be appointed to the Senate, that leaves only the other two major parties. Perhaps one candidate should be a Conservative, and one from the NDP.

Mr. Clark (Rocky Mountain): We will see what influence you have.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. It may be that the hon. member made a mistake; but if he meant what he said, that one of the appointments should be from the NDP, I reject the suggestion.

Mr. Cullen: It may be that I felt one of the appointments should be from the NDP, but the NDP do not want appointments to the Senate. I think they are mistaken in their position; they are doing a disservice to the people they represent. Surely not all the people represented by the hon. member for Northwest Territories agree with the philosophy of the hon: member. The people of the Northwest Territories and of the Yukon should be represented in the Senate.

Mr. Knowles (Winnipeg North Centre): They will get two Liberals.

Mr. Cullen: The hon. member for Rocky Mountain made a good speech this afternoon. Although I must defend him from time to time in my caucus, he is not a bad guy. I suggest he speaks much better on his feet than when he is sitting in his seat; he makes a lot of innocuous, silly comments from his seat. When he rises to speak, he makes good sense most of the time, but he is too partisan a Conservative.

Mr. Clark (Rocky Mountain): As you are a Liberal.

Mr. Cullen: All this talk about the Prime Minister (Mr. Trudeau) being a centralist, about his grabbing control, and so on, comes about because the hon. member belongs to a party which does not know what leadership is all about.

Some hon. Members: Oh, oh!

Mr. Nowlan: That is exactly what we have been looking for.

Mr. Cullen: There comes a time when the leader of a party must seek consensus. If he cannot get it, he must adopt a certain position. That is exactly what the Prime Minister has done.

Mr. Clark (Rocky Mountain): What is his present position on prices and wages?

Mr. Cullen: I doubt if the hon. member for Rocky Mountain would understand that, he being a member of the Conservative Party. I support this bill. I hope the appointments will be made. I hope the senators will play the role of ombudsmen, a role the hon. member for Northwest Territories favours; but I think he misses the boat when he says he will not vote for this bill.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, like many others I did not intend to speak on this bill which concerns the Northwest Territories and the Yukon. The hon. member for Yukon (Mr. Nielsen) is interested in this subject but is not present this afternoon because he did not know the bill was to be discussed. It is ironic that the hon. member for Northwest Territories (Mr. Firth), in the shortest speech so far, took the position, categorically and without qualification, that so far as he is concerned the Northwest Territories do not need and do not want a senator.

Members have spoken about the merits of appointing two new members to the Senate. In view of some of the remarks made by the hon. member for Sarnia-Lambton (Mr. Cullen), and in view of the lighthearted attitude of the House—this being a Friday afternoon—my party's position, the cross-current of ideas in the House, and the eloquence of the hon. member for Rocky Mountain (Mr. Clark), I feel impelled to take part in this debate. I agree with some of the things the hon. member for Rocky Mountain said, although I do not think everything he said was logically consistent. He talked about the independence of the Senate. I ask myself, how can one talk about the independence of sterility? After all, twice zero is zero; ten times zero is still zero. So why talk about the independence of the Senate?

So far as I can see, most members, apart from the hon. member for Northwest Territories and those sitting near him, support this bill. If there is to be a Senate—and on this point I am on the side of the hon. member for Win-

nipeg North Centre (Mr. Knowles)—then I suppose this bill providing for the appointment of a senator from the Northwest Territories and one from the Yukon will help. I know the hon. member for Northwest Territories has an interest in this matter. He knows much more about the north than any member who has contributed to this debate.

As I say, I would not have spoken on the bill if I had not been aware of the interest shown in this subject by the hon. member for Yukon. The President of the Privy Council (Mr. Sharp) said very kindly and generously, when introducing the bill, that the hon. member for Yukon had wanted to propose a private member's bill to expand the Senate and provide Senate representation for the Yukon and the Northwest Territories, but for technical reasons that bill could not be brought forward and the bill we are now debating was introduced instead. The President of the Privy Council was most generous in his remarks. I know the hon. member for Yukon would like to see the part of the country he speaks for in this House represented in the Senate.

What I now have to say concerns my support for this bill, a support which is qualified. As a student I studied political science, and when I was elected to Ottawa I saw the practical workings of the political process. I, like the hon. member for Sarnia-Lambton, had doubts about the Senate. I think that was his position, judging from what he said. However, unlike the hon. member for Sarnia-Lambton I still retain some doubts. Without question, there are some great Canadians in the Senate. Without question, the Senate in recent years has done good work in producing task force reports and in its committees. All the same, to me the Senate, fundamentally, is an historical anachronism. The legislative councils, for all their national aspirations, sincerity and good intentions, have disappeared from this land; the senate, too, will disappear, and I do not think it will take too long.

Some hon. Members: Hear, hear!

Mr. Nowlan: It is difficult to defend the existence of the Senate, with its present imbalance. This imbalance results from a fact of political history. For the last 30 years or so the party opposite has been in power in this country. I do not say it would have been any different in the Senate if the Conservative Party had been in power for the last 30 years.

You hear much about the work being done by the Senate and about the good work it can do. I know there are many good men there. Perhaps this is part of the difficulty of the hon. member for Northwest Territories. He has this problem and no one in the House can share it, not even the members from Prince Edward Island; but they come closest. The only purpose of the Senate is in providing a floor for representation in this chamber. There is the anomaly of Prince Edward Island, with four Senators and four members. With the population of my area it is difficult to produce much more than one member, perhaps two at the most.

● (1550)

Mr. Knowles (Winnipeg North Centre): One and a half.

[Mr. Nowlan.]

Mr. Nowlan: That is right. You have that balanced against the great province of British Columbia where, again because of history, with its population it has a limited number of members in the Senate. At the present time there is a fundamental purpose in the Senate of safeguarding the floor—not in the Senate, although it has to start there, but in this chamber.

Perhaps part of the difficulty of the hon. member for Northwest Territories—and it would perhaps be my difficulty if I were elected by the people to represent that area—is the property qualification. That was a very relevant objection of the hon. member. However, it does not just apply to a senator from the Northwest Territories; the property qualification applies right across the country.

I would feel somewhat differently, representing the people of the Northwest Territories—and I may be an NDP and perhaps not in the party in power, or a Conservative and not in the party in power—if as a result of this bill there was going to be another political voice in my territory, another person who would speak for the people. But first there is a property qualification that eliminates the majority of the people from the territory, the native people; second, and more important, he or she is an appointed person and does not have to go through the rigours of hopscotching around the vast area of the Northwest Territories in order to get elected.

When talking to a former member for the Northwest Territories he told me about the uniqueness of that area. He had to travel to Montreal and then fly north to cover the eastern part of the Northwest Territories. He had to go to Winnipeg and then north to get to the western part.

Mr. Knowles (Winnipeg North Centre): Edmonton.

Mr. Nowlan: You have to go to Edmonton to get to the far west. If I were the member for that area and had to hopscotch around a territory that is larger than "X" number of countries, and go through the election process, I would not feel very happy if out of the blue the government of the day, without any consultation with the people or the elected councils in the Territories, appointed someone who for all practical purposes, and perhaps more so because he was appointed by the government of the day, has more voice in certain parts of the power structure than I did.

Listening to the hon. member for Northwest Territories was almost like listening to the abortion debates we have had in this House. The men of the world stand up and state strongly why they are against abortion; However, when you talk to the ladies who go through some of the pangs of both conception and abortion—

Some hon. Members: Oh, oh!

Mr. Nowlan: —you get a different response from them. The men make the most fundamental Baptists seem pure. I am not a fundamental Baptist but I am a good, practising Baptist. I am not trying to resurrect the abortion debates which we have in this House from time to time. However, if I were the elected member for Northwest Territories I know how I would feel about someone being appointed without any input from the people and not elected by the people. This problem will face the hon. member for Yukon

as well as the hon. member for Northwest Territories; he will also be confronted with it being a political appointment by the government of the day. I think there can be good appointments to the Senate. However, I question the need of it. Until we are emancipated like all the provincial legislatures which have abolished the Senate, I will support the bill, with the reservations I have stated.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills and private bills.

Mr. Reid: Madam Speaker, I rise on a point of order. I think there is agreement to proceed with notice of motion No. 24 standing in the name of the hon. member for Selkirk (Mr. Whiteway).

The Acting Speaker (Mrs. Morin): Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

ENVIRONMENTAL AFFAIRS

LAKE WINNIPEG, MAN.—SUGGESTED FEDERAL-PROVINCIAL PROGRAM TO PREVENT FURTHER EROSION OF SHORELINE

Mr. Dean Whiteway (Selkirk) moved:

That, in the opinion of this House, the government should take action to initiate a program in conjunction with the government of Manitoba to prevent further erosion of Lake Winnipeg shoreline through the construction of adequate breakwaters, pilings and rip-rap.

He said: Madam Speaker, with reference to Manitoba in general, and Lake Winnipeg in particular, as far as can be determined the three levels of government, particularly the federal and provincial governments, have engaged in little or no concentrated action to lessen the effects of erosion. There was a study announced by the then environment minister, Jack Davis, on September 29, 1971, costing $2 million and to be completed by the end of 1974. Its purpose was:

—to determine the effects that regulation of Lake Winnipeg, diversion of water from the Churchill River and development of the hydroelectric power potential of the Churchill River diversion route are likely to have on water and related resource uses.

It was also to recommend ways of increasing over-all benefits from these projects. The Canada-Manitoba agreement noted that both governments are anxious to ensure that planned water resource developments achieve the greatest possible benefits without unduly prejudicing the present or potential development of these water bodies for other uses. These include water supply, fisheries, wildlife, recreation and transportation.

● (1600)

The Manitoba government initiated studies of erosion and sand movement along the shoreline of Lake Winnipeg. These will be incorporated into the studies authorized under the agreement. Broad guidelines were provided for the studies, involving investigations into the effects of the power development of the water regime, including water levels and flows, erosion, sedimentation and water supply. They will also cover effects on the uses of water and related resources, including community supply, fisheries, wildlife, recreation and tourism, navigation, forestry, land use, mining and historic sites. Social implications were also to be investigated by the board, which I expect will propose means of avoiding undesirable effects on people in the area and suggest how they can gain the greatest social and economic advantage from the development and activities arising out of it.

I commend the governments involved for their efforts. However, the report has not been made public to date and the people of Manitoba are as much in the dark as ever. I understand that the Canadian Centre for Inland Water has proposed a study of Lake Winnipeg which would include environmental aspects, particularly soil erosion. The government of Manitoba has given no indication to the federal government whether or not it intends to proceed at this stage with a joint study. We are awaiting an answer from Manitoba.

I would say this: simply identifying the problem is not enough. At the present time we are awaiting a report on the situation on the Nelson and Churchill rivers. Simply to understand what is taking place in relation to shoreline erosion is not good enough. It is incumbent upon federal and provincial governments that some kind of protective action be considered. I am certain that such measures will be found necessary. What should be the twofold purpose of these studies? The first should be to identify the problem, and the second should take whatever measures are necessary in terms of the prevention of erosion.

I expect the response of the government to this motion will be to the effect that the subject does not specifically fall within federal jurisdiction. Madam Speaker, I wish to bring to your attention examples of federal participation in the conservation of shoreline properties. I cite in particular what has been done in connection with the St. Lawrence, the St. Clair and the Detroit rivers. The federal government sought to ascertain the amount of damage resulting from what I might call unnatural causes, specifically, in these cases, the movement of ships up and down the rivers. The river bank was zoned in accordance with the percentage of damage by erosion attributed to waves caused by the movement of ships. The property owner concerned would then get an estimate of the cost of preventing erosion. He submitted this estimate to the Department of Public Works and in turn the department would

authorize the payment of that percentage of the cost of protection payable under the formula—the percentage of erosion caused by, shall I say, the human factor, in this case shipping. I put it to the minister that the erosion of the shoreline of Lake Winnipeg is also due to human causes, and I suggest that the federal government should participate in the cost of remedial measures to the same degree as it has in the case of the three rivers I have mentioned.

In the last few years in Manitoba, Manitoba Hydro has embarked upon a number of extensive development projects. One of these is known as Genpeg. It is no secret in Manitoba and elsewhere that the potentialities of Genpeg can only be realized if Lake Winnipeg can be used as a reservoir. The corporation intends to raise the average level of the lake from 713 feet to 715 feet by a system of locks, and so on, thereby assuring a reservoir which would provide a constant current for the project. Because of the unnaturally high levels which are constantly maintained, excessive erosion is now a fact. As we saw earlier, where there is a factor in erosion other than natural conditions, the federal government has chosen to take an active interest. Today we see, on Lake Winnipeg, similar conditions, conditions not caused by natural phenomena but by human intervention, by human construction. Erosion of the shoreline has been caused by those factors. I submit that excessive shoreline erosion is taking place as a result of human interference in raising the level of the lake from 713 feet to 715 feet. I do not propose that the federal government should accept full responsibility for the prevention of this erosion of the shoreline. Nevertheless, I believe it would be equitable if the federal government were to participate on the basis of the same formula as applied to the cases I have mentioned.

It would be remiss of me if I were not to say that there is, in fact, the possibility of preventing shoreline erosion. In case the minister may wish to allocate the necessary funds immediately, I propose to outline a scheme upon which the minister can spend this money, if he wishes to do so, starting at the beginning of next week. A number of schemes have been aired by leading engineers in Manitoba, and the one which particularly strikes my fancy, since it is within the easiest economic reach of the federal government, involves a system of groins to be constructed along the shoreline of the lake. Take the stretch of the lake where erosion is most prevalent—around the Sandy Hook area; take a stretch of five miles and build groins, 62 of them, 100 feet in length, running 30 degrees with the coast and extending one mile into the lake, and set them 500 or 600 feet apart. The phenomenon caused by a system of groins is well known. As a result of the currents created by these groins existing along the shoreline, back of the groins there is a field of sand, so that you get natural beaches and the only erosion that takes place is just before the groins at the far end. So that over this stretch of five miles along which these groins are actually constructed there would be virtually no shoreline erosion.

● (1610)

I was quite prepared to do some homework for the minister so that he would not have to run around getting figures for himself, and I inquired in terms of cubic yards of material what the cost would be, whether the material was really available, and so on. I do not want to suggest a solution if in fact we have to lug the rocks from Nova Scotia. Consider the fact that this five-mile stretch attracts thousands of Manitobans. It would take only 50,000 yards of material to cover this stretch, and this could be acquired as at the end of this month. If the government does not get inflation under control in the month of May, the costs might be somewhat higher; but assuming that the cost remains the same for May, it would be $10.95 a yard delivered and in place.

If you multiply this figure by the 50,000 yards required, it will cost $549,500. Then there is roughly $90,000 additional labour cost. So for total protection forever and ever, or at least for the next 100 years or so, for some $639,500 we can beat shoreline erosion on this stretch of shoreline of which I am speaking of some five miles. We are not talking about billions of dollars of expenditure; we are talking probably of only 40 to 50 miles at the maximum along which this system of groins and rip-rapping, pile-driving and possibly breakwaters would have to be constructed. When I make an estimate, Madam Speaker, I like to be accurate and conservative. Perhaps the minister is not familiar with the process of accuracy in estimates, but the total amount required for the protection of the shoreline for all of Lake Winnipeg, with which we are vitally concerned, is within $1 million of $20 million.

I am watching the clock and I notice that my time is almost up, so in summary let me say this: I do not believe that the federal government is justified in continuing an attitude toward shoreline erosion that is indistinguishable from that exemplified by the flat earth society. Shoreline erosion on Lake Winnipeg is, and will continue to be, caused in great part by the human element.

I want to stress again that in the cases I have cited where the human element has caused erosion, the federal government has been willing to participate. I am calling for a very similar and equitable attitude on the part of this government with reference to Lake Winnipeg in particular, and generally for all those areas of western Canada where shoreline erosion is attributed to these factors. Using a similar formula, the federal government is now obliged, because of the sheer magnitude of the issue and the reasonableness of my arguments, to make funds available immediately for this project.

Mr. Charles Turner (Parliamentary Secretary to Minister of State for Science and Technology and Minister of Public Works): Madam Speaker, I should like to commend the hon. member for Selkirk (Mr. Whiteway) for bringing this problem to the attention of the government. I should like to speak on behalf of the Department of Public Works. The Department of Public Works is not responsible for shoreline erosion due to natural causes. It does, however, accept responsibility for shoreline damage or erosion which has been caused by wave action from commercial shipping or through the presence of a federal structure such as a breakwater, wharf or other harbour works. Where erosion is caused by natural forces and remedial measures are considered necessary, it is the responsibility of the riparian owner to initiate a remedial program. Where erosion arises from high water levels and flooding and a disaster situation exists, a number of federal government agencies could provide assistance to the

province concerned consistent with pertinent federal policy.

I should like to bring that policy to the attention of the House. The British North America Act delegates responsibility for the control of navigation to the federal government. A cabinet directive on remedial works recorded on November 6, 1966, provided for federal government participation in remedial works where erosion is caused by commercial navigation or the presence of a federal government structure. On behalf of the government, the Department of Public Works has been discharging the responsibility of constructing protective works along shores of the St. Lawrence River and other navigable waters where waves from commercial navigation cause erosion. The department also considers erosion to be its responsibility when a government structure is deemed the cause of erosion and when a government property is threatened by erosion from natural causes such as waves, currents, seepage, rain, frost, ice, etc.

It is realized that there should be some reasonable relationship between the cost of the protection work to be built and the value of the property to be protected, otherwise the government could be blamed for having built costly works for the protection of properties of very little value. To ensure that a fair and reasonable relationship criteria is applied, the 1966 cabinet directive was amended and approved by cabinet on May 2, 1974. All memoranda on this subject written prior to the introduction of the revised policy, excluding reference to criteria and guidelines developed by the Department of Public Works, are superseded.

The revised policy is summarized as follows. The Department of Public Works is authorized to construct remedial works and assume the total cost of such works in the event that more than 50 per cent of the erosion can be attributed to navigation or a federal government structure and the value of the land or property to be protected is equal to, or greater than, the cost of such remedial works. Where erosion results mainly from natural causes but where navigation or the presence of a federal government structure is a contributing factor, the Department of Public Works may contribute to the cost of such remedial works in proportion to the effect these causes have on erosion. Contributions will be based on a cost that DPW considers sufficient to provide adequate protection. The Department of Public Works continue to carry out minimum maintenance of such works in accordance with the terms of the policy.

Headquarters and regions will ensure that all remedial works are evaluated in accordance with the terms of the amended policy, and where investigations indicate federal government responsibility, that the degree of government contribution is clearly established through the application of supporting criteria developed by the department. Where supporting criteria is considered inadequate in complex cases clearly to define the degree of government responsibility, it will be the responsibility of regions to identify the need for special studies or measurements and to report their recommendations to headquarters.

Erosion of the shorelines of lakes and rivers is a continuing natural process. The boundary between land and water is subject to constant changes and shifts due to

natural causes, and occasionally man's activities. Erosion and its resulting problems for shoreline property owners occur throughout Canada. Unfortunately, historical development of shorelines has proceeded without a proper awareness of the process of erosion or of the constantly changing nature of the shorelines. All too often this has resulted in serious problems.

● (1620)

The rate of erosion depends on composition of the shoreline and the exposure of the shore to the natural weathering agents, especially currents and waves. In some cases, surface water run-off, ground water seepage, frost and ice action also contribute to erosion. Human activities sometimes intensify these natural erosion processes and cause additional damage. From the environmental point of view it is often a wise rule not to interfere with nature's shoreline processes. The eroded materials usually contribute to building of beaches in other locations and the formation and maintenance of offshore sand bars and islands. However, erosion of shorelines has often led to financial hardship and personal losses. In some cases government action is necessary, but in the case of Lake Winnipeg the federal government is limited in its choice of action.

In most cases erosion affects private property directly. Under the British North America Act, matters concerning property rights normally fall under provincial and municipal jurisdiction. Thus, the federal government has not usually contributed to the construction of erosion protection works. The federal government does have responsibilities related to navigation, fisheries, and in connection with the management of international and interprovincial waters. In special cases, then, it assumes, through the Department of Public Works, some responsibility for protecting shores from erosion caused by commercial navigation or due to the presence of federal structures. Under these circumstances, the federal government has spent about $30 million on the construction and maintenance of shore protective works since 1947.

Where shore erosion can be traced to waves generated by commercial navigation, the Department of Public Works will construct dikes and bank stabilization works to protect the shoreline. If more than 50 per cent of the erosion at a location is caused by marine transport, and if the land to be protected is worth at least twice the cost of remedial works, the Department of Public Works will assume all project costs. If transport or federal structures contribute to less than one-half of the erosion at a site, the department may assume up to 50 per cent of project costs.

In the case of Lake Winnipeg, the government does not consider that the appropriate conditions exist for federal participation in erosion protection projects. Neither commercial navigation nor federal structures contribute in any significant way to the natural erosion forces. Wind-generated waves on this large, open body of water are the main causes of weathering of the shoreline. Furthermore, Lake Winnipeg is neither an international nor an interprovincial body of water and the jurisdiction over property rights lies with provincial authorities.

If, in the judgment of provincial authorities, the erosion problem is serious enough to be considered of national

concern, the federal government is willing to discuss the situation. Appropriate mechanisms have been established under the Canada Water Act for joint federal-provincial studies and action in matters of significant national interest. However, in general the federal government is very reluctant to impinge on the provinces' prerogatives in this matter. There is, therefore, no readily apparent justification for federal involvement either directly or in co-operation with the provincial government. Indeed, to federally fund protection bank stabilization works in this instance might create a precedent that could have multibillion dollar ramifications throughout the country.

Nineteenth century thinking demanded that man conquer and tame nature, but human existence is not necessarily a battle against nature. Today we are realizing that perhaps the best course of action is to live in harmony with our environment and the forces of nature. It has been said that flood damages are not cuased by an act of God but by acts of men. The same can be said of erosion damages. It is this government's view that in many cases the most desirable solution to the problem is not the provision of structural works but the introduction of land management practices designed to discourage development on erosion prone shorelines.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I should like to take part in this debate for a few minutes, not so much because I have an in-depth knowledge of these problems on Lake Winnipeg but, rather, because I have some general concern along the same line in relation to Lake Ontario, particularly the Scarborough bluffs, and perhaps because I have some background in working in this area as a result of professional training.

We should take a look at the matter of erosion control as introduced by the motion of the hon. member for Selkirk (Mr. Whiteway). The previous speaker pretty well outlined the official position of the Department of Public Works and the federal responsibility. Federal responsibility is in the area of navigable waters and damage relating directly to the use of such waters, taking into account the cost of the work in relation to the amount of damage.

I was rather impressed by the approach of the Canadian government to erosion problems. The hon. member for Selkirk raised a question about the time-frame involved and I think his concern is justified. In terms of the government's approach to this problem, I am not sure how widely distributed is the report resulting from the study of shoreline erosion on the St. Lawrence River and Great Lakes system. This is a good document in terms of its inventory of those areas that have been damaged, or could be damaged, and the extent. This is much like carrying out a school board inventory of the school repairs necessary and deciding which school needs the repairs most. I do not think you can go ahead with projects in many of these areas until you have made an inventory of the existing problems. The consultative process that flows from this very necessarily involves the provinces.

I hope the report resulting from the study in Manitoba of erosion damage on Lake Winnipeg will soon be forthcoming. I differ with the hon. member in that I believe it will be up to the province of Manitoba to invite federal participation and assistance in this area. I understand the causes of erosion in the area are two, namely, falling water levels and substantial wave action due to unprecedented winds.

One of the results of hydroelectric power projects is the alteration to a substantial degree of water levels. This is something the governments involved, whether federal or provincial, will have to take into account in dealing with these changing levels. Whenever there is a change in the water level, nature takes its course and re-establishes the shoreline. Those shorelines along our lakes and rivers which are not subject to erosion are shorelines that have experienced a fair amount of erosion in days past, with the soil and material that can be eroded having gone, leaving a granular base that is pretty well erosion free.

I have looked at a number of hydroelectric projects in which I have been interested over the years and have found that much of the damage to the environment has resulted in nature re-establishing shorelines that are essentially erosion-proof. I think it is absolutely necessary, in terms of hydroelectric projects, that this type of analysis and assessment be done ahead of time. I think the remedy proposed by the hon. member for Selkirk is good, but it should have been established before any change in the water level so that nature might have worked to establish the new level.

● (1630)

I have some knowledge of the structure of municipalities, and so on, surrounding lakes and I assume that if Lake Winnipeg is like most lakes of this size it has several municipalities perhaps of differing financial straits and ability to deal with such a program. I was associated with the conservation authority in Ontario some years ago. I was very impressed with the role played by that authority. At one time it was really responsible for the watershed policies in respect of navigation and drainage of the lakes and larger rivers into the conservation and water conserving projects there.

It is of interest, perhaps, to the hon. member that at the present time, in the city of Toronto, all of the shoreline associated with the greater metropolitan area has been turned over to the metropolitan and district conservation authorities in terms of the water shoreline development as well as erosion and shoreline maintenance. This has been done because the province of Ontario has taken the view that perhaps of all the bodies which might be involved in this, this group of people with the overview it has, not only in respect of the shoreline but because of having jurisdiction over the entire watershed, is perhaps the best qualified body to deal with the shoreline itself.

In terms of some of the remedial action the hon. member is suggesting, I think the establishment of a conservation authority, founded essentially by the province but contributed to by each of the municipalities through which the watershed flows, and in some instances by the federal government, is a very good approach to take. I believe it was back in 1954 that we had hurricane Hazel. At that time my riding and particularly the adjacent riding were very drastically affected by the flash flood. There was tremendous erosion not only of the watershed area draining the Humber River system and the metropolitan area, but also on the lakefront, involving loss of life and property. That was really the impetus for the establishment of

the conservation authorities which have been able to turn much of the land subject to flooding and bad erosion more or less over to public ownership, on the basis that the land would be used for recreational purposes. With the tremendous growth that we have in urban areas, I think it is almost impossible to satisfy the need for recreational facilities. Much of the remedial work and programs of the authority have been compatible with using the land, when restored, for recreational purposes. I think really this is the only way to accomplish this.

I think quite often when we speak about erosion problems in respect of shorelines, we are specifically interested in a particular shoreline and how it might be repaired at a reasonable cost and in a proper engineering manner. I believe we quite often forget that a good deal of the problem may originate inland, and that we must take a very close look at the entire watershed in terms of agriculture, conservation practices and what the over-all land use practices are.

I have some knowledge of the Great Lakes. From year to year when water levels vary as they do, particularly when the level is high, there is a tremendous amount of erosion and much of that problem results from some very questionable municipal zoning which allows structures to be built in areas which, to the practical eye, are very prone to damage. I think zoning is another area of municipal responsibility in this regard.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. gentleman, but the time allotted to him has expired.

Mr. Robert Daudlin (Kent-Essex): Madam Speaker, it is with some trepidation that I rise to join in this discussion this afternoon since I, like the previous speaker, have little knowledge of the actual physical conditions of which the hon. member opposite speaks when he describes the problems that caused him to present this motion. He made reference to the problems around Lake Winnipeg. My riding borders on Lake Erie, one of the Great Lakes which has experienced substantial difficulty from erosion. Considerable assistance has been granted by the federal government in the form of studies along the lakeshore to determine what are the sources of difficulty and what might be a potential cure for these problems.

Along Lake Erie and Lake St. Clair, and indeed—to bring it into context with what the hon. member has said—along the Detroit River and the St. Clair River there has been substantial damage caused by high water. Much damage is experienced from year to year as a result of wind conditions and shipping in this area. I suggest that the federal government, by its proposals and policies described by the parliamentary secretary, has recognized that in certain cases, in fact, the damage has been caused or has resulted from the construction of some type of federal work or work it has permitted to be done in the navigation area. In many cases the erosion has been caused by wave action.

There is no question that when in the area of $30 million was spent by the federal government on the St. Lawrence River system, Lake Erie, Lake St. Clair, the Detroit River and the St. Clair River, it was spent by reason of the fact that much of the destruction of land and property owned by private individuals was caused by the heavy wave action resulting from navigation. I have sat beside the river and seen what the wave action of a freighter can do: it is unbelievable.

I think the policy of the federal government, that there must be some reparation in respect of this type of damage, is sound. However, when I find in fact that there is no heavy shipping on Lake Winnipeg, I find it difficult to believe that the hon. member opposite can make the same point that is applicable to the St. Clair and the Detroit River system in respect of Lake Winnipeg and its shoreline. I was interested when the hon. member suggested that many engineering studies had taken place and that some of the conclusions of those studies seemed to be that the groins system might be the answer. He seemed to think this might be the answer for time immemorial, and then he cut down to perhaps 100 years.

I suggest to him that the same type of protection that he described has been tried with respect to Lake Erie. I would advise him that I would be happy at any time to take him into areas on the south border of my riding to show him what happens to the groins. The experience in the area of Lake Erie has been that a groin lasts perhaps 30 years, if you are lucky. They have tried all kinds of groins. They have tried them with timber and the gabion type, being wire mesh, stone filled. The latest method seems to be very large, armoured stone. The force of water is something to behold. It tears these great, man-made gabions out as if they were nothing.

● (1640)

I think of gabions that were put in in my riding less than 20 years ago. Now there is nothing left to bear witness to them except a few pieces of water-torn and ice-torn wood. It is true that there was a certain build-up of sand behind these gabions and then, for a certain period of time, they worked. But with the high water over the past two years, this sand is rapidly disappearing. I, along with the hon. member opposite, would like to be able to call on the federal government to give us some assistance in protecting the land that is rapidly being worn away. However, the fact that my constituents, as well as the constituents of the hon. member, are experiencing the same difficulties does not make it a federal problem. Surely we should look beyond this and consider the total cost as well as the precedent we would be setting in providing the kind of support which the hon. member seeks.

If there are difficulties such as I have described in my riding, and such as those described by the hon. member opposite along Lake Winnipeg, surely the same type of problems exist along all our coasts, inland or otherwise. If the federal government goes beyond the bounds described in its policies, it will enter into what is essentially provincial jurisdiction in protecting these shorelines, and I suggest that the cost would be too high for this fair land of ours to support. Even when expressed by the figure $20 million, which I think the hon. member opposite suggested for one project, if one multiplies that figure by the number of projects which would ultimately come before the federal government, one would be faced with a gargantuan sum.

I think that the policy described by the parliamentary secretary is reasonable. It affords the opportunity to the federal government to take its share of the burden and, indeed, to accept the blame if in fact it has been responsible or should have some responsibility. It recognizes that there are certain instances when it is not just nature that is tearing away at the shorelines and that perhaps we should give some assistance; but I think it also does service to the separation of power between the provincial and federal jurisdictions, recognizing that the province has some obligation to do something within its borders as well.

I think recognition of that shared responsibility is accepted by other jurisdictions, and I point specifically to the jurisdiction of Ontario which I know best. The province recognizes, through its special emergency assistance programs, its disaster and relief assistance programs and its shoreline property assistance program—the list is long and I have looked at these various problems because I have experienced this type of difficulty in my constituency—that it has a substantial responsibility.

I suggest to the hon. member opposite that surely the province of Manitoba, in this instance, must also recognize that it has a responsibility, if indeed not the total responsibility, for dealing with the problem which he described. I might have a certain sympathy for the problem of the hon. member opposite by reason of shared experience, but I would have some difficulty in requesting the federal jurisdiction to change its policy position. I think the policy is sound and I think the federal government recognize their responsibilities. They recognize that there are difficulties with respect to shared responsibility with the provinces and that those responsibilities should not be breached.

Before concluding I should like to point out that in addition to the problem in the areas I have described in my riding, and indeed in the Lake Winnipeg area where erosion is taking place, there is the problem of land use and subsoil erosion. In my area there are high bluffs around Lake Erie which have been dropping into the lake. Notwithstanding the fact that for a number of years this process has been going on as a result of natural erosion, this has increased. There is some suggestion in the independent studies that have been made that the cause of this type of fall may be subsoil water that has been created by putting up new subdivisions which have created tremendous subsoil water loads from septic systems which flow toward the lake trying to seek their natural levels, thus creating potential slides which cause great chunks of land to fall in.

I think this example points out the necessity for the investigative program and study that the federal government has undertaken in the Lake Winnipeg area. Taking all these things together, I cannot support the motion of the hon. member although I sympathize with his reasons for bringing it forward. I suggest that perhaps he should seek further assistance from his constituents and from the provincial jurisdiction. For the reasons I have given, I am forced to speak against the motion.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, like the hon. member for Kent-Essex (Mr. Daudlin), I am in sympathy with the position stated by the hon. member for Selkirk (Mr. Whiteway), but I have to part company with the hon. member for Kent-Essex with respect to his statement that he would oppose the motion. Indeed, I give it my support. Admittedly, this problem of erosion of the shores of Lake Winnipeg must be shared provincially and federally; no one denies that, least of all the hon. member for Selkirk. It is also my understanding that the government of Manitoba has sought financial assistance from the federal government, and I hope that despite the possibility that this motion may not pass this afternoon, continued consideration and study will be given to this matter.

I can confirm the seriousness of the problem. This erosion is taking place on the west shore of Lake Winnipeg in the constituency of the hon. member for Selkirk, in the area to which he referred from Sandy Hook to Gimli. It also takes place on the east shore of Lake Winnipeg in the constituency of the hon. member for Provencher (Mr. Epp), north and south of Victoria Beach.

My interest in this subject of course is not only because of the fact that, like these two hon. members, I am a Manitoban, but also because quite a few people from the city of Winnipeg, part of which I have the honour to represent, have summer homes and cottages on both sides of Lake Winnipeg. When the Parliamentary Secretary to the Minister of Public Works (Mr. Turner) started to make his speech, I thought for a moment that perhaps the battle had been won. As he outlined the new criteria on the basis of which the federal government will make money available, I thought my hon. friend from Selkirk was going to win, but there seem to be different forms of logic around the place. I regret that at the end the Parliamentary Secretary to the Minister of Public Works, speaking on behalf of the government, came down with the negative reply that he gave today.

● (1650)

There certainly are many causes for the situation so far as Lake Winnipeg is concerned. Part of the trouble is because of navigation, but no one of us would claim that is the only reason. Part of it is weather and winds. Last summer, in particular, unusual winds resulted in very severe erosion on both sides of the lake. Some people thought that the trouble might be because of the provincial government's hydro work in the north, but it was pretty clear to the persons who were there that it was when the wind was blowing a certain way that most of the erosion took place.

From what has been said on behalf of the federal government, it strikes me that it recognizes it has to consider causes that are natural and part of the whole development of the surface of the earth, but that it also has to consider man-made causes. On all counts, it seems to me there is a case for the federal government to be interested in and to share the responsiblility of dealing with the problem that faces people on both sides of Lake Winnipeg.

I should like to express once again my support for the resolution presented this afternoon by the hon. member for Selkirk.

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Madam Speaker, though I have no direct

interest in the erosion around Lake Winnipeg other than that of sharing the concerns of those who live along its shores, and the concern so well expressed by the hon. member for Selkirk (Mr. Whiteway), I want to assure that hon. member that I share fully the views he expressed in this House, this afternoon and previously, for, although I do not come from Manitoba, I do represent a riding that suffers extreme erosion damages from the sea.

If I am not mistaken, until 1954 the government had a policy whereby it granted a certain amount annually to remedy, at least in part, this situation which has become most alarming. But since Canada, unlike Africa, has many streams, damages by erosion are therefore very extensive. In 1954 the government, faced with the enormous claims and costs involved—I was told that they could then even exceed the federal budget—decided in its wisdom, if we can call it that, to set guidelines that were described, I think, by the parliamentary secretary, stating the federal government would recognize its responsibility in cases of erosion due to shipping or the presence of structures erected by the federal government.

Those are the same guidelines that have been dinned into our ears for many years, since 1954, and which were reiterated recently by the Minister of Public Works in reply to a question asked by a member of the Social Credit Party. I believe it was the hon. member for Bellechasse.

At Chaleur Bay, in some places, there are 25 or 30 miles between the two shores, that of New Brunswick and that of the province of Quebec. One easily realizes that when a ship goes up Chaleur Bay to reach the ports of Dalhousie or Carleton for example, what impact the wake can have on the bayshore.

This can happen on the St. Lawrence River, relatively narrow at Quebec City and maybe somewhat more a little upstream, but among our criteria was the presence of federal structures. For eight years at least I, for one, have been pleading in favour of the numerous constituents located between two wharves built by the Department of Public Works and who unfortunately were unable to have protection walls erected to protect their buildings, first the barn and then the house, from falling down into Chaleur Bay.

So my argument is based on the presence of federal structures in the area. There are two such structures: one west and the other east. But that is not enough. The property is valued, and then it is found that such and such a percentage shall be paid by the municipality, another percentage by the owner and the balance by the federal government.

This can no longer be tolerated. As suggested in the motion by the hon. member for Selkirk, the federal government should do something since this is an area of mixed jurisdiction. I would even say it is almost exclusively provincial jurisdiction. Even considering what the federal government did in the past, the province submits this is under federal jurisdiction.

My constituents ask whether the waters are federal. Nowhere have I read that the waters in Chaleur Bay or elsewhere were federal waters. The problem should be settled once and for all, because the province cannot afford it alone. The owner with repairs to be done cannot pay the cost, neither can the municipality. There should be agreements of necessity, as soon as possible, between various levels of government so that the situation may be corrected, which has become very urgent in some instances. If our areas are to be developed, they should first be saved and protected.

● (1700)

The Acting Speaker (Mrs. Morin): The time allowed for the consideration of private members' business has now expired. It being five o'clock this House stands adjourned until Monday at two p.m.

At 5 p.m. the House adjourned, without question being put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 21, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

SUGGESTED REFERENCE OF ALLEGED DREDGING CONTRACT IRREGULARITIES TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity arising from the statements of former Auditor General, Maxwell Henderson, concerning the blatant disregard of his warnings of irregularities in the dredging industry by the public accounts committee. I therefore move seconded by the hon. member for Moose Jaw (Mr. Neil):

That the government refers the question of irregularities in the dredging industry back to the public accounts committee for a thorough and objective inquiry and further that the government directs that committee to exercise its duties with the respect for the recommendations of the Auditor General and the objectivity necessity to function as government watchdogs, rather than government lapdogs.

Mr. Speaker: Order, please. The motion being proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

SUGGESTED ESTABLISHMENT OF GUARANTEED ANNUAL INCOME—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I request unanimous consent of the House to discuss a matter of extreme urgency which requires our immediate attention.

Because there is now a real crisis in the Canadian labour sector, which crisis is to a large extent caused by the uncertainty in which Canadian workers live with regard to job security as well as the cost of living, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House study, as soon as possible the Social Credit proposals for the adoption of a guaranteed annual income to be paid all Canadians, to give them access to economic and material security and thus put an end to the present crisis in labour relations.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

HISTORIC SITES

SUGGESTED PLAQUE AT ETOBICOKE, ONT. COMMEMORATING PRIME MINISTER'S BROKEN PROMISE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion under the provisions of Standing Order 43 arising out of the urgent and pressing necessity of permanently preserving great moments in Canadian history. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

In view of the Prime Minister revealing last week in an answer to a written question that it was on May 27, 1974 in Etobicoke, Ontario, that he made the solemn commitment to "wrestle inflation into the ground", the House requests the government to declare that place a national historic site with a suitable plaque to be erected thereon commemorating the greatest broken promise in the history of Canadian politics.

Mr. Speaker: Order, please.

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

REQUEST FOR DETAILS CONCERNING PROPOSED INQUIRY AND ASSURANCE IT WILL BE PUBLIC

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a question to the Minister of Transport. Is the minister now in a position to inform the House as to the precise nature of the inquiry that he has announced is going to take place with respect to Air Canada, its terms of reference, its scope and other pertinent details involving what particular phases and aspects of Air Canada's operations will be examined?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the only answer I can give at this moment is that it is not going to be an in-house inquiry, but a governmen-

tal inquiry. I have to submit to cabinet tomorrow the form it is going to take. I think that tomorrow we will know the terms of reference and the person who will be in charge of the inquiry.

Mr. MacKay: Mr. Speaker, I hope the minister will be able to assure the House tomorrow that this inquiry will be public and not necessarily limited to this particular incident, but will include such matters as labour relations and accounting procedures. Perhaps the inquiry could also look into the pay and prerogatives and privileges of those in Air Canada's upper level of management. Will the minister consider taking this under advisement?

Mr. Marchand (Langelier): Mr. Speaker, in the question which the hon. member directed to me the other day, he revealed something which was very important as far as Air Canada is concerned. That is why I reacted immediately. If he is now asking me to make an inquiry into the whole Air Canada organization, I do not think that would be in the public interest. I do not know what the terms of reference will be. Cabinet will have to approve them. As soon as I know, I will communicate them to the hon. member.

FARE INCREASES—SUGGESTION CANADIAN TRANSPORT COMMISSION HEARINGS BE EXPEDITED TO DETERMINE JUSTIFICATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I hope this will be a public inquiry and not strictly limited to the narrow aspect of what Air Canada is doing. I wish to direct a related question to the minister. In view of the precarious position of Air Canada, with its load factors dropping and deficit increasing, will the minister expedite hearings by the Canadian Transport Commission to determine whether fare increases are necessary and justified and, if so, will he act on this as quickly as possible?

Mr. Speaker: Order, please. In fairness, I cannot honestly say that is a related or supplementary question.

PROPOSAL CERTAIN ASPECTS OF OPERATION BE REFERRED TO COMMITTEE

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is a follow up to that asked by the hon. member for Central Nova. Without prejudicing in any way the eventual decision of the government for a wider inquiry into the Air Canada charges, will the minister put the matter to his cabinet colleagues that there are certain other matters concerning Air Canada that should be dealt with by parliament? Some of these matters were referred to in the statement made last night by Maxwell Henderson on the show W-5. These matters are clearly within the prerogative of parliament to decide, not an inquiry. Without prejudicing what the decision will be of the government inquiry, will the minister consider putting these wider political matters referring to the economy of Air Canada into the parliamentary committee set up for that purpose?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the House will have an opportunity to inquire into Air Canada. The Standing Committee on Transport and Communications will probably call Mr. Pratte as a witness. Hon. members will be able to put any questions they want to Mr. Pratte. Outside that, there is the general air policy being reviewed which will include Air Canada and civil aviation policy, which the House will have an opportunity of discussing. So I do not see why we should mix all that up with this popular inquiry referring to something which apparently seems abnormal. We have so many opportunities that I do not think it would be useful to lose sight of this popular problem which is a very precise one; we know the terms, we know what happened—or we think we know. We shall deal with the aspect as fast as we can. For the rest, I have no objection at all to discussing the case of Air Canada.

[Mr. Marchand (Minister of Transport).]

● (1410)

DATE OF DECISION OF MR. PRATTE TO APPEAR ON "W-5"

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): I should like to thank the minister for the tenor of his answer because it is exactly what I was hoping he would say: the subject matter of the inquiry he is setting up is one thing, but parliament has its own function to perform, and that is another thing. And that is what the minister has pledged to do. I think the minister is aware of what my next question is going to be. It is really simple. Was the decision of Mr. Yves Pratte to go on "W-5" made some weeks ago before this fuss started and, if so, was the inquiry which was agreed to here last week a device for him not to give the information which he was prepared to give there last night?

Hon. Jean Marchand (Minister of Transport): I do not know what the result of the inquiry will be. I do not think there is any charge against Mr. Pratte. I think that one of the vice-presidents was involved in the transaction which was referred to by the hon. member for Central Nova. I think that Mr. Pratte can go on "W-5". He is in charge. He is president of Air Canada. If some day we think there are good reasons to remove him from that position I think the government is going to do it. But for the time being he can go on "W-5" and answer the questions of the newspaper men.

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TRADE

GOVERNMENT POSITION ON PROPOSED MEETING OF COMMONWEALTH TRADE MINISTERS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. It arises out of the report which Mr. Arnold Smith, Secretary-General of the Commonwealth, has prepared for the Commonwealth meeting in Kingston, Jamaica, in which he suggests there be a meeting of Commonwealth trade ministers. In view of the fact that the Canadian representatives at the Rome food conference last November took the position that trade matters should be dealt with exclusively by GATT, I want to ask the minister whether the Canadian government is prepared to support the idea that a meeting of Commonwealth trade ministers be held in order to assist the developing parts of

the Commonwealth in establishing outlets for commodities at reasonable prices?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I have not seen the report to which the hon. member refers but I am sure the Prime Minister, who will be attending the meeting of first ministers at the Commonwealth conference within the next ten days, will want to take that suggestion under advisement.

GOVERNMENT POSITION ON INTERNATIONAL COMMODITY AGREEMENTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the Canadian representatives at the Sugar International Agreement Conference held in Geneva in 1973 are accused of being among those who stonewalled efforts to reach agreement on sugar prices with the effect we have all noticed—domestic sugar prices have quadrupled since that time—is the Canadian government now prepared to discuss international commodity agreements which would stabilize trade with respect to both price and supply throughout the developing countries of the world?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): We are, of course, prepared to discuss these questions at any time. One of the reasons the conference to which the hon. member has referred was not successful was that the producer countries did not feel it was in their interest to conclude an agreement at that time. They felt that prices would continue to rise. I think it is important to recognize that there are many more people in the developing countries that are sugar importers rather than sugar exporters.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I put my final supplementary question to the right hon. Prime Minister. In view of the speech which he made at the Guildhall dinner in London recently in which he made a plea for sharing the world's goods, particularly with the underdeveloped areas of the world, what initiative is the Canadian government going to take with respect to developing international commodity agreements, and what leadership will the Canadian government be prepared to give at the Commonwealth meeting at Kingston, Jamaica in order to assure these countries that they will get prices for their raw materials which bear some relationship to the durable goods which they have to purchase?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a question which was raised at the previous Commonwealth conference held in Ottawa and regarding which we took the initiative of asking the Secretariat to prepare a series of reports. We in the Canadian government have also been studying this question, and we will take in Kingston, Jamaica, the position which will carry out best the aims and objectives that this government wants to follow.

[*Translation*]

POST OFFICE

MONTREAL STRIKE—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Postmaster General.

In view of the rather difficult situation in Montreal, which is due to the postal conflict, and since we are receiving phone calls almost every minute from Montrealers who are asking whether negotiations are progressing, is the minister in a position to say whether the negotiations now going on between the department and the union are improving or deteriorating?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the hon. member might be asking two questions. If he means the negotiations between the government and postal workers, they are proceeding smoothly. If he means the negotiations between the minister and those who work in the Montreal building, productivity has improved and I believe the backlog of one million letters is already down to about 500,000.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary.

I have heard yesterday on the news that a union official, the president I think, had charged the government with a certain provocation, arguing that they had hidden parcels and letters in some warehouses in the vicinity of Montreal; is there something founded in that allegation? Can the minister tell us whether this union president is a liar or whether he said the truth?

[*English*]

Mr. Mackasey: Mr. Speaker, rather than reply in my sidewalk French, I might say that the reason we have been putting the mail in locations other than the main post office is that if we put any more in the main post office you could not get in the door if you did want to work.

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EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—GOVERNMENT POSITION ON SHARING REVENUES FROM MARGINAL AREAS OF THE SEABED

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my supplementary question is to the right hon. Prime Minister and it is about his sharing concept. Does the sharing concept indicate that the government is now anxious to compromise in its position about sharing the revenues in the marginal areas of the seabed, as hoped for by many nations at the Law of the Sea Conference, and would such revenue sharing not mean perhaps that many countries would then accept Canada's position?

Right Hon. P. E. Trudeau (Prime Minister): The question is a legitimate one, Mr. Speaker, but it does have to do with the whole process of putting together a series of agreements and understandings on the law of the sea. The hon. member will understand that some countries are prepared to give up something in return for something

else. I imagine this is how every country is proceeding at that conference. Each country is trying to get a law of the sea accepted by all, but one in which that particular country's participation will not be unfair to itself as opposed to what others are prepared to give up. The hon. member knows that this is how these discussions take place. He will have to see what package Canada is prepared to accept when the whole package is put together, but he would not expect me to give him our official position on any one element of that package now.

● (1420)

Mr. Fairweather: Mr. Speaker, would the right hon. gentleman not agree that time is running rather late for a compromise Canadian package?

Mr. Trudeau: I hope again, Mr. Speaker, that time has not run out until the last card is on the table.

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AIR CANADA

REASON FOR FAILURE OF MEMBERS TO RECEIVE 1974 ANNUAL REPORT—REQUEST FOR ASSURANCE OFFICIALS WILL APPEAR BEFORE COMMITTEE

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a question for the Minister of Transport that is somewhat supplementary to questions asked previously, and it is in connection with the "W-5" program last night on CTV when a statement was made quoting from the 1974 annual report of Air Canada. Can the minister explain why members of parliament have not received this report when apparently certain people in the news media have received it? When will the report be tabled? Can the minister give us the assurance that Air Canada officials will appear before the Committee on Transport and Communications and when can we expect that appearance?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the next time I will bring my pencil to take notes as there are so many questions asked about the same thing.

An hon. Member: You couldn't answer anyhow.

Mr. Marchand (Langelier): I think the committee can ask Mr. Pratte to appear before it at any time, and I do not think he would refuse to appear. As far as the report of Air Canada is concerned, it all depends on to which report the hon. gentleman is referring. If it is the financial report, it has been postponed for about two years along with the CN report because there was not approval in the House here. That is the reason you do not have it. If there is a public report of Air Canada, there is no reason you should not have it.

Mr. Murta: Mr. Speaker, the fact is that it would have been easier to ask my questions in logical order than to ask supplementary questions. Let me inform the Minister of Transport that the report I was referring to was the 1974 annual report from which some figures were quoted. Apparently, it must be ready or some of the people of the press would not have been using those figures on the program. I am wondering when that report will be tabled and why it has not been tabled up to this point if it has been released in part to the media?

Mr. Marchand (Langelier): Mr. Speaker, I would ask for the indulgence of the House in saying that if my memory serves me well this report has to be produced before May 5.

An hon. Member: The 1974 report?

Mr. Fairweather: This is 1975.

Mr. Marchand (Langelier): Was he referring to last year's report?

An hon. Member: The 1974 report.

Mr. Marchand (Langelier): And you do not have it?

Mr. Murta: No.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I am going to institute a departmental inquiry.

POSSIBILITY OF SOME PERSONS BEING SUSPENDED UNTIL COMPLETION OF INQUIRY

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the allegations of serious improprieties on the part of top management of Air Canada and what appear to be serious contradictions between statements by a former marketing vice-president and Mr. Yves Pratte, I would ask the minister whether it is the intention of the government to suspend any person or persons while the inquiry referred to by the minister is underway?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am going to do what I promised the House I would do. Tomorrow, I intend to recommend to the Cabinet that we institute an inquiry. Do not ask me to make this inquiry here in the House, as I am not going to do that. When the inquiry officers have been nominated and the terms of reference and the time established, then at that moment perhaps you can put questions, but I am not going to tell you that we are going to fire a man who may be charged wrongly. I do not know that. If we knew all these things we would now only have to make a decision.

REQUEST FOR PUBLIC INQUIRY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. It covers the general question of the accountancy proceedings of Air Canada, certain payments made, contractual measures and authority of vice-presidents. Is the right hon. gentleman aware that when his Minister of Transport in the House used the term "a government inquiry" in English in any event this has an innuendo to the effect that it would be some type of government, departmental or in-house type of inquiry. Is the hon. gentleman aware that some of us in any event on this side of the House would be satisfied

with only a judicial type of public, open or royal commission investigation of this matter.

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

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POST OFFICE

RURAL ROUTE MAIL CONTRACTORS—REQUEST FOR ADJUSTMENT OF CONTRACTS IN VIEW OF HIGHER COSTS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Postmaster General. In view of recent cost of living figures which indicate an annual increase in the cost of living of some 11.3 per cent what steps is the Postmaster General taking to adjust the contracts of rural route mail drivers, those locked into five-year contracts, when the agreements normally are not increased at least until after an initial two-year period?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I want to thank the hon. gentleman for his courtesy in having given me notice of the question. He is quite accurate in saying that in initial contracts the law at the present time stipulates there will be no increase for the first two years but a contract can be adjusted annually after that. Those contracts which are renewal contracts can be adjusted annually. We are very conscious of the fact that the increased cost of petrol, gasoline and maintenance has in many instances created a degree of hardship and we are contemplating changes in the act which might reduce the two-year period.

We are certainly giving maximum consideration to those requests which have been made and some people forget they have the right to request adjustments. Inflation is taken into consideration in readjusting the contracts.

Mr. MacDonald (Egmont): I have a supplementary, Mr. Speaker. In view of the fact that the general transport index is up even higher, to 12 per cent, and auto operation and maintenance cost is up to 14.3 per cent and that on October 11 last, as recorded at page 345 of *Hansard* in answer to a similar question, the minister indicated to the hon. member for Gaspé that "there may be other ways in which we can take into consideration the effect of inflation on this particular group of contractors", since the minister has had this under consideration for something over half a year, when will we in fact have a program to alleviate a very serious problem in respect of these rural route mail drivers?

Mr. Mackasey: Mr. Speaker, I think the reference is very accurate. The continued rate of inflation means more urgency in respect to introducing the required amendment. In the meantime greater consideration to costs has been taken when adjusting these contracts considering what they have suffered in the fixed two-year period through inflation.

TRADE

GOVERNMENT POSITION ON INTERNATIONAL COMMODITY AGREEMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wonder whether I might press the Prime Minister a little about the government's position with regard to international commodity agreements and ask him to indicate to the House what is the general disposition of the government toward these agreements at the present time. Does the government regard a general approach to the international commodity agreements as desirable or not in general?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker; that is I think quite simply answered by saying the government's position throughout has been that we are preparing any international commodity agreements to cover both consumer and producer groups. Very recently we have refused to participate in a union of countries trying to get together on a producer basis. It has been our consistent effort, whether it be in wheat, sugar, ferrous minerals or any other commodity, to ensure that there be a meeting of producer and consumer interests instead of confrontations between them.

● (1430)

INTERNATIONAL COMMODITY AGREEMENTS—ALLEGED STATEMENT OF MINISTER OF FINANCE ON CANADIAN APPROACH—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): The report out of Teheran quotes the Minister of Finance as having said that the price of all raw materials, whether they be oil, bauxite or wheat, should be fixed by agreements between producers and consumers. I have no way of knowing whether that is an accurate report, but perhaps the Prime Minister would indicate whether that statement represents government policy and whether it represents, on the part of the Minister of Finance and the government of Canada, an effort to extend to the international area the consensus that the government is seeking inside Canada in so far as the prices of raw materials are concerned?

Right Hon. P. E. Trudeau (Prime Minister): I do not know any more than the Leader of the Opposition what were the exact words used by the Minister of Finance, but it seems to me that the intent of his reply as quoted by the hon. gentleman is to the same effect as was my reply, that is that we prefer agreement by consent and co-operation between all parties rather than a cartel type of approach which imposes prices unilaterally on consuming nations.

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EXTERNAL AFFAIRS

CONFERENCE OF OIL PRODUCING AND CONSUMING COUNTRIES—GOVERNMENT ATTITUDE TOWARDS INCLUSION OF OTHER COMMODITIES IN DISCUSSIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Perhaps another day the Prime Minister may have an opportunity to check out what the Minister of Finance did say, and we can look into it then.

Now, I would like to ask the Prime Minister or the Acting Secretary of State for External Affairs whether the government of Canada has indicated to those countries which participated in the Paris Conference which commenced on April 7 its desire to see a compromise reached and whether the government has communicated its views to those participating countries, and what precisely is the attitude of the government now with regard to the inclusion of other commodities in these discussions?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, as I have said in reply to other questions from the Leader of the Opposition, the government is anxious to reach a compromise on this particular issue. The conference that we had in mind, and that we would have supported, would have been one dealing essentially with energy, but we feel it might be possible to reach a compromise by including some other items, provided that the emphasis of the conference is not lost. The great danger, of course, is that the conference will be concerned with all materials and that the particularly urgent question of energy might get lost in the wider sort of conference that might emerge. These views, which I have expressed publicly, are of course now known throughout the world.

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NATIONAL DEFENCE

POSSIBLE RECALL OF PEACEKEEPING PERSONNEL TO PROVIDE SECURITY AT OLYMPIC GAMES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of National Defence. In view of the suggestions that some of the 1,600 Canadian troups presently serving with the United Nations peacekeeping teams in Cyprus and the Middle East may have to be recalled to Canada to provide security in the 1976 Olympics, would the minister advise whether this information is correct and also how many troups would be withdrawn and from which peacekeeping assignments will the withdrawal be effected?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the information is not correct. In fact, before the committee last week I indicated that we could provide sufficient forces to assist in providing security at the Olympic games without withdrawing any of our peacekeeping forces.

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FINANCE

REQUEST FOR STATEMENT ON POSSIBILITY OF FURTHER DECLINE IN CANADIAN DOLLAR

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Prime Minister. In the absence of the Minister of Finance and of the acting minister, would the Prime Minister accept the recommendation that either the acting minister or some other delegated person make a statement to the House this week on the decline of the Canadian dollar, the prediction that the dollar will decline further, the relationship to Canada's adverse position on current account balance of payments, and so forth, or must we await the undefined date of the budget before we can have an explanation of what is happening now?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered a similar question last week indicating that the Canadian dollar was floating freely in response to market forces. As to predictions regarding what will happen with the dollar, surely the hon. gentleman does not expect that kind of prediction in the budget.

Mr. Lambert (Edmonton West): My question relates to the decline of the Canadian dollar that is forecast as a result of reduced borrowings abroad and to the adverse balance of trade. The budget is to be brought down some time towards the end of May, but not necessarily so. That is more than six weeks away.

Mr. Trudeau: I understand, Mr. Speaker, but the hon. gentleman is suggesting that the budget, whenever it is brought down, should include some predictions and forecasts about how the Canadian dollar will behave. Surely, the Minister of Finance will not want to do that.

Mr. Lambert (Edmonton West): He always does.

Mr. Trudeau: If the hon. gentleman wants to speculate on the future of the Canadian dollar, he should do that on the basis of his own knowledge.

Mr. Lambert (Edmonton West): Read the minister's former speeches.

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AIRPORTS

REASON FOR OPENING PARKING GARAGE AT TORONTO WHILE CLOSING ONE AT VANCOUVER

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Transport. In view of the announcement last week that $127 million will be spent on extensions at the Toronto International airport, including a five storey parking garage, and in view of my recent inquiry in the House which revealed that the parking garage at the Vancouver international airport will be closed and the outdoor lot extended, can the minister tell the House by what logic his department plans to provide covered parking in Toronto, which will reduce the walking distance to the terminal by half while at the same time the garage at Vancouver is to be closed, resulting in the walking distance to the terminal being doubled?

Some hon. Members: Oh, oh!

An hon. Member: They need exercise in Vancouver.

An hon. Member: It makes a good over-all average.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, in order to satisfy the hon. gentleman, who seems to be well aware of all the facts—

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): —and if he is not, he will be informed of them tomorrow—I will double check what he said to see if it is really what will happen.

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EXTERNAL AFFAIRS

NATO SUMMIT CONFERENCE—GOVERNMENT POSITION ON TIMING—REQUEST FOR STATEMENT ON CANADA'S POSITION ON SUBJECTS TO BE DISCUSSED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Right Hon. Prime Minister. In view of the fact that the NATO council, composed of the ambassadors of the 15 member states, agreed on April 18 to hold a summit conference at Brussels on May 29 and 30, would the Prime Minister now comment on the timing of this particular conference, since it seems to have been his chief concern, and will he be informing the House of the position which Canada will adopt at this meeting before his departure since he did state it was his intention to attend?

Right Hon. P. E. Trudeau (Prime Minister): Our position on the timing was stated publicly and it is on record. We thought that the timing was somewhat premature, but we also indicated that we would adjust to any timing that the majority preferred, and that is still our position. As to what position I will take at that conference, I will first have to know what is on the agenda, and then I will see whether it is in the public interest to make a statement before the conference is held rather than after.

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ROYAL CANADIAN MOUNTED POLICE

KNOWLEDGE OF SOLICITOR GENERAL OF PRESENCE OF MR. DURHAM, ALLEGED FBI INFORMER, AT DEMONSTRATION ON PARLIAMENT HILL

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Solicitor General. Was he informed and did he give his prior consent to the presence on Parliament Hill during the January demonstrations last fall of Douglas Durham, a paid informer of the American FBI?

Hon. Warren Allmand (Solicitor General): I am told Mr. Durham came to Canada after the demonstration on Parliament Hill at the opening of parliament and that he was invited at the request of the Indian movement in Canada, and some of the people who were organizing that demonstration. His presence here in Canada at that time was not known by the RCMP until afterwards.

SUGGESTION UNITED STATES SEEK APPROVAL OF SOLICITOR GENERAL BEFORE SENDING AGENTS TO CANADA

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Can the Solicitor General tell the House whether or not at that time Durham was working for the FBI and reported back to them, and also, can the minister tell the House whether or not he has been in touch with his American counterparts to instruct them that before American agents are sent to Canada he expects to be informed and give his consent prior to the coming of those agents to Canada?

● (1440)

Hon. Warren Allmand (Solicitor General): Mr. Durham, I understand was a paid informer for the FBI, and he had been to Canada on previous occasions following requests by the FBI and consent given by the RCMP. However, since it is very easy for people to move back and forth over the Canada-U.S. border, he came on that occasion without any knowledge of the FBI or the RCMP, as I said, at the request of the Indian movement. But under the agreement we have with the FBI, they are to request the approval of the RCMP each time one of these movements is made, and I presently have this whole policy under review.

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REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF PROVINCIAL CROWN CORPORATIONS RECEIVING GRANTS—REQUEST FOR ANALYSIS OF EFFECT OF CROCUS FOODS ON DAIRY PRODUCERS OF MANITOBA

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to direct my question to the Minister of Regional Economic Expansion. In view of the department's expressed policy to give incentives to establishing industry or expansion of existing industry, could the minister indicate whether it is the policy of his department or of the government to give DREE grants to corporations being established as Crown corporations by provincial governments?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, there is no prohibition against such grants, and going by memory, I think that in a few cases we have actually done so. Basically, each case is judged on its merits, and the test is not whether it is a Crown corporation, but whether it will enhance the economics of the particular region or area. If the hon. member could be more specific, I will try to be more specific in my answer.

Mr. Epp: I would like to ask the minister whether, before making any final approval for the DREE application made by the Manitoba government respecting Crocus Foods, to be located as Selkirk, Manitoba, he will undertake to do a very careful analysis of what effect the establishment of such an industry might have on the dairy processing industry of Manitoba and specifically the dairy producers of Manitoba?

Mr. Jamieson: I can give the hon. member an unqualified assurance on that. I am now familiar with the case to which he refers, and such an examination is now being made. I have had some consultations with the government of Manitoba in this regard, but no decision has been reached.

Oral Questions

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF SEAFARERS' INTERNATIONAL UNION—REQUEST FOR TABLING OF REPORT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Solicitor General. Since the minister has repeatedly refused to hold a public inquiry into the SIU investigation, and now since, according to an aide, that report is concluded would the minister consider tabling the report, and if not, why not? And why was this announcement made by an aide outside the House?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it was not made by an aide, in the first place. I had an answer to give in the House on both Thursday and Friday, but the question was not put. When I went outside, a member of the press asked me the question, and I gave the answer. I do not know why it was reported that the answer was given by an aide. It may have been given by an aide after I had given my original response to the press. In any case, the report was rather a lengthy one which stated that all the allegations made by Dr. Shulman and others who had made similar allegations had been investigated.

The report also stated that there was no evidence to back up any of those allegations with respect to wrongdoing or criminality by members of parliament or ministers with respect to the SIU. The report was sent to me by the RCMP under either a confidential or secret label, and that was due to the fact that they repeat in the report many of the allegations made against many people, both members of parliament and others. It seems to me that we should not make that report public, but I will look into that once again.

REQUEST FOR ASSURANCE REPORT ABSOLVES MEMBERS AND MINISTERS OF POLITICAL IMPROPRIETY

Mr. J. P. Nowlan (Annapolis Valley): I thank the minister for that part of his answer, but since there were allegations, not just involving criminal conduct or criminal matters, but also of political improprieties, can the minister assure the House, as he sort of reported outside of the House, that the report also completely absolves any member or minister of such improprieties as political misconduct or political indiscretion as compared with anything of a criminal nature?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, many people made allegations by innuendo, and it is difficult to know exactly what was charged and what was not charged, but any allegations which involved criminality were investigated by the RCMP. If the hon. member has in mind other charges, perhaps he should ask me about those charges, and we will certainly determine whether there should be any public inquiry with respect to them, but I would like to know exactly what he refers to when he says there were other allegations.

Mr. Nowlan: To make it really crystal clear, separate and apart from criminality, can the minister state publicly in this House that the report now marked confidential makes no reference or recommendation as to anything of a political impropriety involving a member or a minister?

[Mr. Jamieson.]

Mr. Allmand: In a nutshell, the allegations made by Dr. Shulman were that federal ministers and members of parliament were not investigating the SIU because they received campaign contributions, and for that reason they were not acting when they should have been acting or when someone asked them to act. These allegations were thoroughly checked into and found to be false.

* * *

INFORMATION

REQUEST FOR GREATER FREEDOM IN SECURING INFORMATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, having heard the Solicitor General with regard to the release of information, and having heard the former auditor general last night, I would like to ask the President of the Privy Council if he will undertake to change the rather medieval approach of the government toward freedom of information and bring about a support for measures which will make this an open society rather than a secret society.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I think it is very fortunate that the hon. member has a bill which is now being considered by a parliamentary committee. I know he would not want to cast aspersions upon the members of that committee.

Mr. Baldwin: I would like some support on it.

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AIR TRANSPORT

STRIKE AT TRANSAIR—SUGGESTED USE OF OTHER AIRLINE TO TRANSPORT ENTOURAGE ACCOMPANYING PRINCE CHARLES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister, although it could be that the Minister of National Defence or the Secretary of State might be involved. My question relates to the fact that the entourage which will be going north this week with Prince Charles is being transported by several airlines, one of which, namely, Transair, is strike bound. In view of this fact and in order to avoid any picket line difficulties for the members of that entourage—I am not talking about the Prince himself, I am talking about the entourage—will this matter be looked into in the hope that the contract with the strike bound company might be replaced by a contract with some other airline?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take the question as notice.

ENVIRONMENTAL AFFAIRS

ASBESTOS FIBRE COUNT OF WATER IN GREAT LAKES—REQUEST THAT INTERNATIONAL JOINT COMMISSION CONDUCT INDEPENDENT STUDY

Mr. Paul E. McRae (Fort William): Mr. Speaker, my question is to the Acting Secretary of State for External Affairs, the President of the Privy Council. The February report on asbestos in the Great Lakes basin, released by the International Joint Commission, used figures obtained from the Ontario ministry of the environment showing the asbestos fibre content of drinking water in Thunder Bay North as 830,000 fibres per litre. In view of the fact that two universities', Lakehead and McMaster, studies show concentrations 20 times this amount, would the minister request that the IJC conduct an independent study to ascertain the real fibre content?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, I will give that request sympathetic consideration.

* * *

ENERGY

NATURAL GAS—PROPOSED MEETING WITH UNITED STATES ON EXPORT PRICE—POSSIBLE ATTENDANCE OF REPRESENTATIVES OF PRODUCING PROVINCES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is basically for the Minister of Energy, Mines and Resources, but in his absence I will put it to the Prime Minister. Given the fact that the United States government has asked for a special meeting almost immediately—and I understand that Canada has agreed that it take place within the next day or two—about the price of natural gas to be exported to the United States, can the Prime Minister tell us who will represent Canada at these meetings? More particularly, will there be observers or representatives from the producing provinces attending this important meeting in the next day or so?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I will take notice of the question on behalf of the minister, and he will respond when he returns to the House.

Mr. Gillies: There are reports that that meeting might well take place tonight or tomorrow morning. Is there any truth in reports that this meeting will take place that soon, or are these reports in the press perhaps not as accurate as they may seem to be?

Mr. Foster: The minister is just out of the House for a moment. He will respond as soon as he returns.

PRIME MINISTER'S OFFICE

ALLEGED FINANCING OF POLITICAL AND HOLIDAY TRIPS AT PUBLIC EXPENSE

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Prime Minister. Did the Prime Minister travel to and from Toronto last Friday at taxpayers' expense for the purpose of attending a Liberal party fund raising dinner, and can the Prime Minister tell the House when he will discontinue financing his political trips and holidays by dipping into the public pot?

Mr. Speaker: Order, please.

* * *

● (1450)

[*Translation*]

HEALTH

LACK OF MEDICAL SERVICES IN CHAPAIS, QUEBEC

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Since Chapais, a municipality of 4,000 inhabitants, is entirely devoid of medical services and since the Quebec government seems unable to solve that serious problem, I would ask the minister whether he has any responsibility at all for those people demanding a resident physician?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the distribution of health care, as the hon. member knows, comes under provincial jurisdiction and I think that the question he raises should be directed to the Quebec Minister of Health.

Mr. Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question.

When a province remains idle, is it not proper for the federal government to intervene?

Mr. Lalonde: It is surely a curious interpretation of the constitution and if the Social Credit Party endorses that position, it would be interesting to have it join the next constitutional conferences.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

POSSIBILITY OF INQUIRY INTO POTENTIAL IMPROPRIETY OF MEMBERS OR MINISTERS IN RELATION TO SEAFARERS' INTERNATIONAL UNION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is to the Prime Minister and is supplementary to the answer recently given by the Solicitor General. Can the Prime Minister advise the House whether there has been any investigation or inquiry undertaken into questions of potential impropriety involving ministers of the Crown or members of this House and the Seafarers' International Union. If there has been, will he tell us by whom that was undertaken and whether it has been completed.

If it has been completed, will it be made available to the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the only inquiries I know of are the ones to which the Solicitor General referred in his answer a few moments ago.

Mr. Clark (Rocky Mountain): A supplementary question, Mr. Speaker. Does the Prime Minister want the House to understand that there has only been an investigation into criminal actions involving the SIU, or has there also been an inquiry into questions of impropriety that might not involve criminal action or criminal charges. Have there been two investigations.

Mr. Trudeau: Mr. Speaker, the investigation which I just referred to and which was mentioned by the Solicitor General was one in response to charges made by Mr. Shulman, to the effect that there have been criminal actions of some kind. There was another proceeding—I do not suppose you would call it an inquiry—where the Department of Justice was looking at the suggestion made by the Attorney General of Ontario on the general question of a broad-reaching inquiry into the SIU. This was not, to my understanding, an inquiry into personal conduct, personal behaviour, as alleged by Mr. Shulman. Instead, this was an inquiry into whether this was an area where the federal government should set up a general inquiry rather than having the provinces and the police pursue an inquiry by their own means.

REQUEST FOR TABLING OF TERMS OF REFERENCE OF ALL INQUIRIES INTO SEAFARERS' INTERNATIONAL UNION

Mr. Joe Clark (Rocky Mountain): A final supplementary question, Mr. Speaker. I wonder if I could ask the Prime Minister to make available to the House, or table in the House, the terms of reference of the inquiry undertaken by the RCMP and of any other inquiry that was undertaken in reference to connections between the Seafarer's International Union and members of this House.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if there were any precise terms of reference, they would have been given by the Solicitor General in one case and the Minister of Justice in the other case.

GOVERNMENT POSITION ON ADEQUACY OF RCMP REPORT ON ALLEGATIONS INVOLVING SEAFARERS' INTERNATIONAL UNION AND MEMBERS OR MINISTERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Is he content with the situation in which a charge is made which possibly involves members of this government—whether there is any merit or weight to it is another question—where the only report made is a report by a member of his government indicating that he has a confidential report from the police which absolves all members of government. Does the Prime Minister find that a happy situation?

[Mr. Clark (Rocky Mountain).]

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I do. I think everyone engaged in politics is used to this kind of general charge made against politicians of one side or another. When the charges are specific enough to permit inquiry, as Mr. Shulman's charges purported to be, I think the proper procedure is for the RCMP to look into the facts and see if they can find any cause for laying a criminal charge. The fact that they reported there was no such basis certainly satisfies me. I trust their capabilities in inquiring into such matters and I would think, if there is any distrust, that it should be levelled against those who have perpetrated charges without foundation.

INVESTIGATION INTO SEAFARERS' INTERNATIONAL UNION BY MINISTER OF JUSTICE—REQUEST FOR REPORT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a question to the Prime Minister. It is related to the investigation which is going on—or perhaps it is not going on—and the involvement of the Minister of Justice in looking into the SIU and its activities. Can the Prime Minister advise the House whether this investigation still is going on or whether it is contemplated. If so, will the report be made public?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not believe it would result in a report which would be in any written form. It would be a matter for the Minister of Justice. He, advised by his officials, would look at the general subject of whether the Ontario government and its police and the municipal governments are able to conduct this inquiry themselves, or whether it is an area where the federal government should step in. I do not know if the Minister of Justice has taken a final decision on this. He will be back in the House tomorrow and he will be able to answer the question himself.

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EXTERNAL AFFAIRS

VIET NAM AND CAMBODIA—REQUEST FOR PROTEST AGAINST COMMUNIST AGGRESSION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is also addressed to the Prime Minister. In view of continuing communist aggression in southeast Asia, is the Prime Minister now prepared to instruct the Secretary of State for External Affairs to launch a formal protest or a condemnation of communist aggression by force against both Cambodia and South Viet Nam. If not, for goodness sake, why not. Are you supporting communism?

Some hon. Members: Oh, oh!

NATIONAL DEFENCE

ELIGIBILITY OF PEACEKEEPING PERSONNEL FOR VETERANS PENSIONS—ELIGIBILITY OF CAPTAIN PATTEN'S FAMILY FOR PENSION BENEFITS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence and concerns the brief submitted by the Long Service Pensioners' Association. Since the official definition of a veteran restricts veterans' benefits to someone who has served in a war zone, would the minister not consider our peacekeeping contingents as being in actual war zones. Would he tell the House if Captain Ian Patten's family is eligible for veterans benefits, as Captain Patten was killed in Cyprus, in the service of his country?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, in answer to the last part of the question concerning the widow of Captain Patten, I will be able to give a full account of the payments, but I can indicate now that there will be a cash payment of some $33,000 and a monthly allowance of some $753. Concerning the first part of the question to do with the brief, we are studying that brief now and will have a further report to make about it.

Mr. Speaker: The Minister of Energy, Mines and Resources.

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ENERGY

NATURAL GAS—PROPOSED MEETING WITH UNITED STATES ON EXPORT PRICE—POSSIBLE ATTENDANCE OF REPRESENTATIVES OF PRODUCING PROVINCES

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): —I will restrain myself from directing a number of questions to my colleagues. I understand that during my momentary absence from the House the hon. member for Don Valley raised a question about the meeting between American and Canadian officials concerning natural gas export prices. I confirm that there will be a meeting of that kind tomorrow here, in Ottawa.

Mr. James Gillies (Don Valley): A supplementary question to the Minister of Energy, Mines and Resources, Mr. Speaker. Can the minister inform the House who will represent Canada at that meeting and, most particularly, will there be any representation or any observer from either of the producing provinces attending the discussions?

Mr. Macdonald (Rosedale): Mr. Speaker, it will be officials of the Department of External Affairs, accompanied by officials of my own department and of the National Energy Board. There will be no provincial representation at that meeting.

Mr. Gillies: May I direct a final supplementary question to the minister, Mr. Speaker. Has the minister an agenda for that meeting, will discussions be limited precisely to the pricing of natural gas exports or will other items such as crude oil and pipeline construction be discussed?

Mr. Macdonald (Rosedale): Mr. Speaker, it is with regard to the regulation 11A report concerning natural gas export pricing only.

Mr. Baldwin: In the west we are hewers of wood and drawers of water only.

Mr. Jelinek: Mr. Speaker, I rise on a point of order. I asked the Prime Minister a legitimate question.

Some hon. Members: Oh, oh!

Mr. Jelinek: It seemed to me as if the Prime Minister would answer. The government in the past has officially condemned acts of aggression in other parts of the world, but this government has not said anything so far about the aggression occurring in South Viet Nam. My point of order, or question of privilege, as the case may be, is this: are we, as Canadians, to condone the fact that this government has accepted communist aggression by force?

● (1500)

Mr. Speaker: Order, please. I am sure the hon. member will realize this is not the first time this question has been put in recent days. Secondly, the hon. member was doing fine until he got to what he must clearly accept as a most argumentative suggestion.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

HOUSE TO ADJOURN AT SIX O'CLOCK TO ENABLE MEMBERS TO ATTEND FUNCTION IN HONOUR OF PRINCE CHARLES

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, this evening a gala concert is being given at the National Arts Centre in honour of His Royal Highness the Prince of Wales, to which members of this House have been invited. In order to enable hon. members to avoid the conflict that might otherwise arise between their desire to honour Prince Charles and their duty to be present in this House, I wish to suggest—and I know this has the support of the House leaders of the other parties—that when this House rises at six o'clock this evening, it stands adjourned until 2 p.m. tomorrow.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. In view of the fact some hon. members turned down the

invitation last week because of committee meetings to be held tonight, can we now accept?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there is the other side of that question: what about committees tonight; will they also be suspended?

Mr. Sharp: Mr. Speaker, I have no objection, but the chairmen of the committees might not want me to make the rules for them.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 326, 1,171, 1,447, 1,526, 1,675, 1,688, 1,778, 1,780, 1,805, 1,823, 1,827, 1,885, 2,068, 2,069, 2,070, 2,131 and 2,225.

Mr. Speaker, if questions Nos. 1,247 and 1,702 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 2,083?

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

[*Text*]

EXECUTIVE ASSISTANTS APPOINTED TO PUBLIC SERVICE

Question No. 326—**Mr. Coates:**

1. From 1968 to date, how many executive assistants who have worked at least two years for a Minister were transferred from the Minister's staff to the Public Service?

2. What are the names, positions, and salaries of such executive assistants who have made transfers and are still working in the Public Service?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1 and 2. Executive Assistants who may have been appointed to the Public Service after having worked for two years for a minister would have received no preference in appointment and would, therefore, have had to become members of the Public Service through open competitions. Records are not kept in such a way that such persons can be readily identified and the necessary staff is not available to undertake a review of the files of all appointees since 1968 (approximately 170,000 in number).

PACIFIC ENVIRONMENT CENTRE, VANCOUVER, B.C.

Question No. 1,171—**Mr. Huntington:**

With reference to the Pacific Environment Centre that was planned for North Vancouver, what have been the expenditures made to date on (a) architectural services (b) engineering services (c) surveys (d) land options (e) land leases (f) department salaries (g) models and promotion (h) other department expenditures (i) monies budgeted for future expenditures?

[Mr. Benjamin.]

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of the Environment is concerned: (a) $198,000; (b) $22,000; (c) $12,000; (d) Nil; (e) $241,402 net annually; (f) $150,000; (g) $4,000; (h) $198,000; (i) $22,000. In so far as the Department of Public Works is concerned: (a) $136,394.06; (b) Nil; (c) $8,076.02; (d) Nil; (e) $4,021,688.40; (f) $15,800.00; (g) Nil; (h) $25,735.48; (i) $17,799.79.

FUNDS GRANTED FOR BILINGUALISM PROJECTS

Question No. 1,447—**Mr. Cossitt:**

Since the coming into force of the Official Languages Act, what is the total amount of funds in any way granted or distributed by the Secretary of State connected in any way with bilingualism and, of this total, how much involved contributions (a) to French Language or culture projects (b) to English language or culture projects?

Hon. James Hugh Faulkner (Secretary of State): The following funds have been distributed by the Language Programmes Branch to March 31, 1974, for (a) French language projects, $112,088,559; (b) English language projects, $145,209,226; (c) Projects involving the two official languages indiscriminately, $14,926,937. The following grants have been accorded by the Programme for Official Languages Minority Groups to March 31, 1974: (a) Grants to French-language groups, $8,505,494; (b) Grants to English-language groups, $292,025; (c) Grants to groups from both communities for inter-group understanding projects, $792,985.

STUDY OF THE DETERRENT EFFECT OF CAPITAL PUNISHMENT

Question No. 1,526—**Mr. Reynolds:**

1. What was the cost to the Department of the Solicitor General of the report by Ezzat Abelel Fattah called "A Study of the Deterrent Effect of Capital Punishment with Special Reference to the Canadian Situation"?

2. Did Mr. Ezzat Abelel Fattah prepare any other reports or is he in the process of preparing reports for the government and, if so (a) what is the title of these reports (b) what is the cost to the government?

3. (a) How many reports has the government had prepared on the subject of capital punishment (b) who were the authors and what were the costs of each report?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of the Solicitor General is concerned: 1. $4,990.

2. Yes. (a) and (b): Mr. Ezzat Abdel Fattah, while working for a research contractor, was the author of one volume of a seven volume report rendered to the Department of the Solicitor General in December, 1974. The volume which he prepared was entitled "Étude de la main-d'œuvre policière Montréal, Toronto, Vancouver". The total cost of the project was $80,000, but no specific cost can be assigned to the one volume attributed to Mr. Fattah. Mr. Ezzat Abdel Fattah is now preparing a review of existing research literature on public attitudes towards capital punishment in Canada and will render a report. The cost is $3,000.

3. (a) Two.

3. (b)

Report	Author	Cost
A Study of the Deterrent Effects of Capital Punishment (mentioned above) 1972	Ezzat Abdel Fattah	$4,990
Capital Punishment—New Material, 1972	Bernard Grenier	$14,400

In addition to the aforementioned documents made under contract, a report entitled "Capital Punishment: Material Relating to its Purpose and Value" was written in the Department of Justice and published in 1965. As it was of Departmental origin the authorship was not specified.

In so far as the Department of Justice is concerned: 2. Yes, for the Law Reform Commission: (a) "Deterrence"; (b) $2,000.

3. (a) As far as can be ascertained from Department of Justice records, one, "Capital Punishment, Material Relating to Its purpose and Value". (b) Prepared by the Department of Justice and issued in 1965 under the authority of the Minister of Justice. No record of cost is available.

UNITED STATES-CANADA BORDER INCIDENTS

Question No. 1,675—Mr. Railton:

1. What is government policy and the intention of the Department of External Affairs with respect to (a) the incident at the Peace Bridge involving the Buffalo police (b) the incident occurring at the British Columbia-Washington state boundary?

2. (a) Was Captain Simpson, who skippers a fishing boat out of Kingsville, Ontario, stopped and boarded by a US game warden last October (b) did Captain Simpson proceed to Kingsville with the US game warden on board (c) what action will the government take in relation to this incident?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): 1. (a) It is government policy to protect Canadian sovereignty. It is the intention of Canadian authorities to pursue discussions with the United States authorities with a view to minimizing the possibilities of a recurrence on either side of the border. (b) The Department of External Affairs considers the incident closed. The United States government acknowledged that the arrest of Mr. Anderson was made on Canadian soil, expressed its regrets, and returned Mr. Anderson to Canada.

2. (a) Captain Simpson's boat was boarded by an Ohio Wildlife Agent. (b) Yes. (c) The government has been in continuing contact with the United States government concerning the incident. The Essex County Crown Attorney has determined that the facts of the case do not warrant the laying of charges in Canada and the government does not plan to take any action bearing uniquely on this case. However, the government intends to meet with United States officials to review the situation and to seek to avoid the recurrence of such incidents on the Lake.

FRENCH LANGUAGE UNITS

Question No. 1,688—Mr. Cossitt:

How many unilingual French language units have been established in the Public Service (a) in what department, agency or Crown corporation is each located (b) what functions and duties does each perform (c) what is the total number of personnel and salaries involved in each unit?

Hon. Jean Chrétien (President of Treasury Board): According to the data from the 4th survey on French Language Units, the latter number 736 units and sub-units. (a) and (c) The attached table shows the distribution of FLUs by department as well as the number of employees and their total annual salaries. (b) The functions and duties assigned to each French Language Unit vary according to the responsibilities of the department or agency.

Department/Agency	Total Number of Employees	Total Annual Salaries $
Agriculture	995	12,471,287
Public Archives	39	414,059
National Revenue, Customs and Excise	1,270	15,466,712
Consumer and Corporate Affairs	135	1,684,789
Communications	103	1,331,680
National Defence	612	5,295,603
Environment	226	2,883,684
Defence Research Board	293	3,214,685
Supply and Services	403	4,258,508
Veterans Affairs	548	4,302,372
Veterans Land Act	2	20,217
Energy, Mines and Resources	29	366,858
External Affairs	1	16,305
Canadian Government Printing Operations	531	5,717,935
Indian and Northern Affairs	270	3,501,004
Canadian International Development Agency	104	1,464,644
Information Canada	107	1,177,159
Industry, Trade and Commerce	7	116,580
Justice	67	1,021,282
Labour Canada	12	184,451
Manpower and Immigration	2,048	25,747,277
Transport	1,341	14,389,169
National Capital Commission	10	178,339
National Film Board	92	1,415,086
National Health and Welfare	478	5,434,451
National Library	15	176,633
National Museums of Canada	19	294,438
National Parole Board	80	999,075
Canadian Penitentiary Service	17	163,435
Post Office	8,824	84,709,891
Public Service Commission	1,416	19,669,580
Secretary of State	1,161	14,815,973
Statistics Canada	17	193,425
National Revenue, Taxation	709	8,709,817
Treasury Board	7	162,677
Unemployment Insurance Commission Administration	2,412	26,103,099
Total	24,400*	268,072,179*

Source: Official Languages Information System (OLIS), January 1975, and mainoutput system (MOS), January 1975

*Approximately 7,000 employees should be added to this total, representing those in the employment of departments or agencies

excluded from Schedule 1, Part 1, of the Public Service Staff Relations Act (for whom Treasury Board is not the Employer).

These departments or agencies include the following:

National Research Council	National Defence (Armed Forces)
National Harbours Board	RCMP (Police Officers)
Science Council	St. Lawrence Seaway Authority
Royal Canadian Mint	Laurentian Pilotage Authority

UNEMPLOYMENT INSURANCE PROGRAMME STATISTICAL DATA

Question No. 1,778—**Mr. Saltsman:**

1. For each year 1950 to date, by industry, in actual dollars, and in constant uninflated dollars, what were (a) the total government expenditures on unemployment insurance (b) the same information for males (c) the same information for females?

2. For the same years, by industry, in actual dollars, and in constant uninflated dollars, what was (a) the total government revenue in unemployment insurance premiums (b) the same information for males (c) the same information for females?

3. For the same years, by industry, in actual dollars, and in constant uninflated dollars, what were (a) the per capita expenditures, revenue through premiums and net effect (b) the same information for males (c) the same information for females?

4. For the same years, in actual and constant uninflated dollars, what were (a) the total and per capita unemployment insurance expenditures, revenues through premiums, and net effects for participants, with participants grouped by (i) increments of $1000 personal income per annum (ii) increments of $2000 of family income per annum (b) the same information for females (c) the same information for males?

5. For unemployment insurance participants with males and females calculated separately and together, what are the overall Lorenz curves of benefits from unemployment insurance in the periods 1950-59, 1960-69, 1970 to date, calculating across each period and not for each year separately, and excluding all participants who ceased participation during the middle of a period?

6. For each year 1950 to date, for unemployment insurance participants with males and females calculated separately and together, what are the Lorenz curves of benefits from the Unemployment Insurance Act?

7. What proportion of female beneficiaries of unemployment insurance resumed their contributions to the plan after leaving the workforce to give birth?

8. For each year 1950 to date, what were the mean per capita benefits, premiums, and net effects throughout their work histories of females who received benefits under the Unemployment Insurance Act as a result of giving birth as opposed to females who did not receive benefits as a result of giving birth?

9. For the same years, what were the mean family incomes of females who received benefits from the Unemployment Insurance Act as a result of giving birth as opposed to females who did not receive benefits as a result of giving birth?

10. For the same years, by industry and overall, what were the total and per capita expenditures, revenue through premium, and net effects of unemployment insurance programmes in (a) the United States (b) Great Britain (c) Sweden (d) West Germany (e) Australia?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Manpower and Immigration and Statistics Canada as follows: 1 to 10. Information not available.

[Mr. Chrétien.]

DREE—APPLICATIONS FOR KOOTENAY WEST

Question No. 1,780—**Mr. Brisco:**

1. (a) How many applications have been completed for Kootenay West under the DREE programme for expansion for each year Kootenay West has been designated (b) how much was each such application?

2. (a) How many applications have been completed for new industry for each year Kootenay West has qualified under the DREE programme (b) how much was each such application?

3. Other than expansion and new industry, have any other grants been awarded under the DREE or ARDA or special ARDA programmes for Kootenay West for each year Kootenay West has qualified under such programmes and, if so, what are such grants?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Incentive offers accepted for the expansion of manufacturing and processing facilities in Kootenay West under the terms of the Regional Development Incentives Act:

Fiscal Year	(a) Number of accepted offers	(b) Estimated amount of accepted offers
1969–70	2	$ 31,640
		22,560
1970–71	2	16,080
		86,677
1971–72	2	6,020
		276,800
1972–73	2	127,779
		32,711
1973–74	2	194,250
		262,560
April 1, 1974 to January, 31, 1975	1	52,600
		$1,109,677

2. Incentive offers accepted for the establishment of new manufacturing and processing facilities in Kootenay West under the terms of the Regional Development Incentives Act:

Fiscal Year	(a) Number of accepted offers	(b) Estimated amount of accepted offers
1970–71	1	$ 31,240
1971–72	1	176,951
1973–74	5	571,350
		182,000
		219,500
		210,000
		74,600
April 1, 1974 to January 31, 1975	Nil	—
Total	7	$1,465,641

3. Contributions paid to the province for projects carried out in Kootenay West under the terms of the Agricultural and Rural Development Act:

Fiscal Year	Project	Amount
1967–68	Robson Irrigation District	$15,494.56
1968–69	Robson Irrigation District	3,812.26
	Raspberry Irrigation District	13,890.31
1969–70	Robson Irrigation District	2,737.58
	Robson Irrigation District	2,584.43
1970–71	Slocan Park Improvement District	24,181.30
1971–72	Slocan Park Improvement District	2,083.52
1972–73	Robson Irrigation District	8,372.89
1973–74	Robson Irrigation District	6,428.31
	Slocan Park Improvement District	2,275.37
April 1, 1974 to January 31, 1975	Nil	
	Total	$81,860.53

HAINES-ALASKA ROAD

Question No. 1,805—Mr. Huntington:

1. (a) For the period November 1973 to May 1974, what was the cost to the government to clear snow on the Haines-Alaska Road, through British Columbia and the Yukon (b) to whom was this money paid?

2. For the same period, how many (a) American cars (b) American trucks (c) Canadian cars (d) Canadian trucks entered Canada on the Haines-Alaska Road going north?

3. For the same period, how many (a) American cars (b) American trucks entered Canada on the Haines-Alaska Road going south?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Public Works and National Revenue as follows: 1. (a) The cost of snow clearance operations on the Haines Road from the Alaska/British Columbia boundary to Haines Junction in the Yukon is $286,940. This includes such items as snow removal, snowfencing, culvert cleaning as required, control of gates to ensure that no vehicles are stranded. There is no breakdown into these items. (b) Government of the Yukon Territory.

2. (a) 3,383; (b) 298; (c) 774; (d) 527.

3. (a) 5,949; (b) 1,115.

JONQUIÈRE COURSE IN FRENCH LANGUAGE

Question No. 1,823—Mr. Cossitt:

1. (a) What is a full description of the nature and purpose of what is called the Jonquière Course in the French language (b) what is the total cost since its inception?

2. (a) What is the total number of persons that have taken or are taking such language training (b) what is the average cost per student including board and expenses?

3. Is there a comparable course in the English language and (a) if so, where is it given (b) if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): 1. (a) It is assumed that the Jonquière Course refers to a proposed exchange of students between Fanshawe College of London Ontario and College de Jonquière, Jonquière, Quebec. (b) As the exchange has not taken place there have been no attendant costs.

2. (a) Nil; (b) Nil.

3. The exchange was to have been reciprocal.

SALE OF VISCOUNT AIRCRAFT

Question No. 1,827—Mr. McKenzie:

1. Has the sale of 24 Air Canada Viscounts, or any portion of said sale, to United Services Ltd. and Beaver Enterprises Ltd. been cancelled and (a) if so (i) for what reason (ii) what are the plans for the affected aircraft (b) if not, on what dates are the companies to take delivery?

2. Was one or more aircraft sold for the sum of $1.00?

3. Who owns the Viscounts that are presently sitting unused on or near the property of Winnipeg International Airport?

4. (a) What are the applicable rules governing the sale of used aircraft to individuals or groups of individuals (b) have any such individuals or groups offered to purchase any of the aircraft?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. The contract with United Aviation Services and Beaver Enterprises Limited terminated on March 31, 1975. (a) (i) Contract terms were not met by United Aviation Services and Beaver Enterprises Limited. (ii) The disposition of the 24 Viscounts has been under active consideration by Air Canada management since the March 31st contract termination date.

2. One Viscount was sold for $1 to the National Research Council.

3. Title to each of the Viscounts located at Winnipeg rests with Air Canada.

4. (a) There are no rules governing sale of used aircraft to individuals or groups of individuals. (b) No individual or groups of individuals have submitted any economically viable offers which have resulted in a sale.

PRODUCTION OF STEREO RECORDS FOR READER'S DIGEST BY RCA, SMITHS FALLS

Question No. 1,885—Mr. Cossitt:

1. Is the Secretary of State and the government aware that approximately 10% of the employees of the RCA Victor Company at Smiths Falls, Ontario are engaged in the production of stereo records under contract with *Reader's Digest* magazine?

2. Is the Secretary of State and the government aware that the proposed tax change in regard to *Reader's Digest* could have the effect of loss of employment to between 30 and 40 persons working in the Smiths Falls plant of RCA Victor Company and, if so, will the government take this into account before proceeding further?

Hon. James Hugh Faulkner (Secretary of State): 1. The government is aware that the Reader's Digest Association (Canada) Ltd., has engaged the R.C.A. Victor Company at Smiths Falls, Ontario under contract to produce stereo records.

2. The government is not persuaded that its proposed changes to the Income Tax Act would cause grievous financial loss to the Reader's Digest Association (Canada)

Ltd., such loss that its record distribution and other activities would either be dropped or significantly restricted. Reader's Digest is a highly diversified and very profitable company, and it is the government's view that it is well equipped to adapt to a changed Income Tax Act.

APPLICATION FOR DISABILITY PENSION—MR. H. T. BOWEN

Question No. 2,068—**Mr. Cossitt:**

Did the Department of Veterans Affairs receive an application for a disability pension from Mr. H. T. Bowen of Brockville, Ontario in November 1974 and, if so (a) for what reasons is it taking so long to process it (b) will the government give this veteran immediate service by attending to his application?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): The Canadian Pension Commission received an application for a disability pension from Mr. H. T. Bowen on November 28, 1974. Applications for disability pensions received by the Canadian Pension Commission are basically dealt with in the order of receipt although there are exceptions within a stated priority system. Priority is given to veterans of World War I and to widows as well as to claims where there is a demonstrated urgent medical or social need. In adjudicating on pension applications the Canadian Pension Commission is required to collect such relevant material as is available in the records of departments and agencies of the Government of Canada and to make such inquiries into the facts as it deems advisable to enable it to reach a decision. The Commission will consider Mr. Bowen's claim within its priority system.

LIP PROJECT 311-3520—RCMP INVESTIGATION

Question No. 2,069—**Mr. Cossitt:**

1. With reference to the answer to Question No. 1,041 that stated in part that an October 1974 RCMP report mentioned that charges of fraud would be laid as the result of an investigation into Local Initiatives Programme Project 311-3520 in the Constituency of Montreal-Bourassa (a) on what date have or will charges be laid (b) what are the names and addresses of all persons charged or to be charged and the nature of the charges?

2. What are the names and addresses of all those who recommended acceptance of this Local Initiatives Programme application prior to its being approved by the Minister?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of the Solicitor General (Royal Canadian Mounted Police) and Manpower and Immigration as follows: 1. (a) A court brief is in the hands of Crown Counsel for review. Until a decision is reached by Crown Counsel, it is impossible to state when any informations will be laid. (b) it is impossible to name those to be charged and the nature of the charge(s) until a decision is reached by the Crown Counsel.

2. Please refer to answer for question 1041 (f). Moreover "A question oral or written must not: (d) repeat in substance a question already answered or to which an answer has been refused (C. 128)". (*Beauchesne's Parliamentary Rules and Forms* Fourth Edition, 1958, pg. 147, article 171.)

[Mr. Faulkner.]

LIP PROJECT H-2217—RCMP INVESTIGATION

Question No. 2,070—**Mr. Cossitt:**

1. With reference to the answer to Question No. 1,042 that stated in part that an October 1974 RCMP report mentioned that charges of fraud would be laid as the result of an investigation into Local Initiatives Programme Project H-2217 in the Constituency of Montreal-Bourassa (a) on what date have or will charges be laid (b) what are the names and addresses of all persons charged or to be charged and the nature of the charges?

2. What are the names and addresses of all those who recommended acceptance of this Local Initiatives Programme application prior to its being approved by the Minister?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of the Solicitor General (Royal Canadian Mounted Police) and Manpower and Immigration as follows: 1. (a) A court brief is in the hands of Crown Counsel for review. Until a decision is reached by Crown Council, it is impossible to state when any informations will be laid. (b) It is impossible to name those to be charged and the nature of the charge(s) until a decision is reached by the Crown Counsel.

2. Please refer to the answer for question 1042 (f). Moreover, "A question oral or written must not: (d) repeat in substance a question already answered or to which an answer has been refused (C. 128)". (Beauchesne's Parliamentary Rules and Forms Fourth Edition, 1958, Pg. 147, article 171.)

*LAW OF THE SEA CONFERENCE—CONTINENTAL SHELF LIMIT

Question No. 2,083—**Mr. Marshall:**

Does Canada have a contingency plan to support the government's statement that if agreement is not reached at the Law of the Sea Conference with regard to a continental shelf limit, Canada will take unilateral action to declare such limits and (a) if so, will the government Table such plan (b) if not, for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows. I am not aware of the government's statement to which the hon. member refers. It is the long standing position of the Canadian government that Canada's continental shelf extends to the continental margin both by virtue of Canadian legislation and international law.

PERMISSION TO FLY CONCORDE SUPERSONIC AIRCRAFT TO GANDER, NEWFOUNDLAND, FOR TEST FLIGHTS

Question No. 2,131—**Mr. Mazankowski:**

1. Did the government grant permission to Aerospatiale of France to fly Concorde supersonic aircraft to Gander, Newfoundland for test flights and, if so (a) on what basis (b) was the government aware that Finnish environmental associations took strong issue with the Concorde landing in Finland?

2. Has the government studied the protests of the Finnish environmental associations to see (a) what was the basis of their opposition (b) whether their complaints were applicable to Canada in general and Gander in particular?

Hon. Jean Marchand (Minister of Transport): 1. Yes. (a) That the aircraft would be operated only at sub-sonic speeds, while in Canadian airspace. (b) Yes. However the Ministry is not aware of the reasons for the Finnish position.

2. No.

MANPOWER MOBILITY PROGRAM

Question No. 2,225—**Mr. Herbert:**

For the fiscal year 1973-74, what was the total cost of assistance to the 11,019 persons relocated under the Manpower Mobility Programme?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The total cost of assistance to 11,019 persons relocated under the Manpower Mobility Program for the fiscal year 1973/74 was $8,230,966.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

ASSISTANCE FROM RECREATION CANADA, SPORT CANADA AND SPORT PARTICIPACTION CANADA

Question No. 1,247—**Mr. Clark (Rocky Mountain):**

What was the name and address of every group or organization receiving assistance from (a) Recreation Canada (b) Sport Canada (c) Sport Participaction Canada in each fiscal year (i) 1971-72 (ii) 1972-73 (iii) 1973-74 and what was the amount of assistance received in each case?

Return tabled.

NATIONAL EXCHANGE PROGRAMME FOR SENIOR CITIZENS

Question No. 1,702—**Mr. Elzinga:**

1. In 1974, what was the amount of money spent throughout Canada on the National Exchange Programme for senior citizens?

2. How much was spent in each province and who received the grants?

Return tabled.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO ESTABLISH COMMISSION

Hon. Gérard Pelletier (Minister of Communications) moved that Bill C-5, to establish the Canadian Radio-television and Telecommunications Commission, to amend the Broadcasting Act and other acts in consequence thereof and to enact other consequential provisions, as reported (with amendments) from the Standing Committee on Broadcasting, Films and Assistance to the Arts, be concurred in.

Motion agreed to.

Mr. Pelletier (Hochelaga) moved that Bill C-5 be read the third time and do pass.

[*English*]

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I intend later to make a few remarks on this bill; however, at the moment I am rising on a point of order. I am a little surprised at the minister. Perhaps he is not going to say

anything at this stage of the bill; I see he is not moving too fast. The bill has gone through committee, where some amendments of a technical nature were made. I take it, from the minister's stable position in his seat, that he does not intend to say anything about Bill C-5 at this time. It is relatively clear—as clear as anything ever is in this House—that the minister intends to speak later. Therefore, I would like to make a few comments now.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since we are on third reading the minister cannot speak twice. As he moved the motion, that constitutes his speech, unless he makes it now. We may give unanimous consent to a speech later, but I think Your Honour is familiar with the rule that there is no right of reply on third reading.

Mr. Deputy Speaker: The point raised by the hon. member is well taken. The fact that the minister did move the motion, even if only by nodding his head, is participation in the debate. If he wishes to speak a second time, he must have unanimous consent. It will be up to the House to decide at a future time, because the minister does not seem to be indicating that he wishes to speak at this time.

Mr. Nowlan: Mr. Speaker, I am glad the hon. member for Winnipeg North Centre (Mr. Knowles) stood up. Because of that, without getting into the technicalities of the rules, I was surprised the minister did not say anything, having fathered this bill which has had a long gestation period. He has not indicated any of the highlights which the bill in its present form contains. The minister may reply, with unanimous consent; however, we will have to wait and see what happens when this stage of the debate draws to a close.

I say, with all respect to the minister, that the fact he has not seen fit to say anything at this time is symptomatic of some of the problems in this bill and in the field of communications generally. I am speaking strictly in terms of the minister as a minister. I do not want my remarks this afternoon to be misinterpreted as criticizing the generous personality and philosophic nature of the minister in a personal way. But the fact that nothing is being said on third reading of this bill is symptomatic of the whole problem in communications. Since 1968 with the Broadcasting Act, through the terms of office of various ministers—and of course the present ministry of communications was only created in 1969—there has been almost a vacuum in terms of discussion in this House of a subject as vital to this country as the whole topic of communications.

● (1510)

If the minister has the chance later on, he will undoubtedly say that Bill C-5 is just a housekeeping bill, a bill to merge the functions of the CRTC with the telecommunications functions of the CTC, and creating a new agency, bureaucracy or commission combining all those communications functions. The bill is not a lengthy one. It uses big words. At first blush one might be prepared to accept that it is only housekeeping but, as I said at the beginning of my remarks, if the minister persists in telling us that this is a housekeeping bill involving a merger of regulatory functions, that is really part of the disappointment which

members of the House share about this field of communications.

Regardless of what members feel as to the state of communications and/or the communicativeness of the Minister of Communications (Mr. Pelletier), outside this House, in the experience of interested parties, be they in the field of commentary, the field of cable or the field of broadcasting, it has been the silence or the inactivity of the Minister of Communications which has really, with all respect, created a good many of the problems. I say this advisedly, and I shall try to support my argument with certain basic facts.

If this is only a housekeeping bill—and it does provide for the merger of certain regulatory functions—I say that this in itself is an indictment of the Minister of Communications who, rather than do housekeeping even at this time in the spring of the year when so many homes across Canada are engaged in spring cleaning, should have been exercising leadership, showing initiative and stimulating his imagination to tackle some of the fundamental problems in communications, rather than paper them over with Bill C-5. If this is housekeeping, as the minister said in committee, then it is housekeeping in a house built with termite timber, on a weak foundation, with some very relevant questions to be asked about the paternity and the powers of the housekeeper of the house.

I have often sat in the committee with the minister and I appreciate some of the problems he faces in trying to reconcile conflicting views in various areas of communications. However, the fact that since 1968 not a single legislative enactment has been dealt with by the House—the Department of Communications was created in 1969—is testimony to the absence of leadership and, in effect, the abdication of real responsibility in this field. The minister may wonder what I mean by termite timber, weak foundations and questions about the housekeeper. I say termite timber because of the CRTC regulations or the powers and regulations of the CTC. You don't really have very strong timber in a house when you find one of those agencies, the CRTC, acting, as is so often the case, unilaterally and making pronouncements about broadcasting.

The most recent pronouncement of the CRTC caused great agitation across the country. After a year or so studying cable regulations, the CRTC announced on February 17 or February 19 that the proposed regulations were to be gazetted; I think the date was March 4. Written responses to what had been gazetted were supposed to be in the mail and back by March 17, albeit that during some of that time there was something called a postal strike. I guess we are going through another phase of that strike today. Some of the parties concerned, who would have been very interested in attending that public hearing in March, as well as on April 8—I understand there is to be another on June 10—did not even get the announcement by the CRTC in the mail prior to the date by which the formal reply was supposed to be in. So part of the timber of this house, which the minister says is just housekeeping legislation, is ridden, I suggest, with termites in terms of regulations and procedures.

The bill itself is one of a hybrid nature. The agency is to use CRTC procedures when broadcasting is involved, and CTC procedures when the telecommunications functions of the CTC are concerned. What could cause more confusion than to see a big, new agency using different procedures for different arms of its authority? The number of commissioners is, of course, increased. There are to be nine full-time members on this board and ten part-time members. They are going to wonder which hat they are wearing on any one day—whether they are going to follow CRTC procedures or CTC procedures. The whole problem of trying to balance and reconcile conflicting views between the broadcaster, the common carrier and the cable operator is so complex that surely, in a housekeeping bill to put these functions together, there should be some consensus about the procedures to be followed by the new agency, rather than compound the confusion and complexity by adopting dual procedures depending upon which function the commission is considering at any particular time. If this bill as it stands is not a breeding ground for more confusion, I find it difficult to picture what is. I cannot imagine another government agency working with different procedures depending upon the subject matter before the agency.

I could say much more about termite timber, but I want to turn now to the foundation—the shaky foundation. I say it is a shaky foundation because the problem of federal-provincial relations is completely ignored. There is no recognition given to whether or not the provinces even have an interest in communications, let alone in cable transmission. If there is any doubt about that, I need refer only to what was said in the Ontario legislature not too long ago.

I am sure that when the minister is in Quebec at the annual meeting of the Canadian Association of Broadcasters which is to be held early next month, he will deliver a very interesting speech on some aspect of communications. I understand his counterpart in the province of Quebec, Mr. L'Allier, is also to speak on the same day; I don't know whether it will be on the same symposium or panel. It will be very interesting and stimulating. I have not read what Mr. L'Allier said about the recent pronouncements of the CRTC on proposed cable regulations, but the minister in Ontario, Mr. Rhodes, in the legislature on Friday, March 14, expressed in fairly strong language his irritation at the unilateral pronouncements of the CRTC on proposed cable changes. I think it would be relevant to read a portion of what Mr. Rhodes had to say. At a time when there is a new attempt to have a second federal-provincial conference on communications, Mr. Rhodes said:

● (1520)

In the meantime, the Canadian Radio-Television Commission issued policy statements and proposals on February 17. These are more far reaching in their policy implications than anything put forward to date by the federal government in its 1973 green paper on communications policy, at the first federal-provincial conference, in correspondence with the provinces or in private discussions.

These proposals—

He is referring to the CRTC proposals.

—would appropriate to the federal government all areas of cable communications, including those areas which have previously been considered by the provinces and also the federal Minister of Communications as being the responsibility of the provinces. We are confronted with a situation in which the regulatory agency, without clear legislative authority, is zealously acting to consolidate the maximum of *de*

facto federal jurisdiction, regardless of existing provincial activities and legitimate claims. This is all going on at the same time as the federal minister is denying the provinces an opportunity to discuss jurisdictional matters.

I have expressed my concerns most strenuously to the Minister of Communications and told him that the CRTC action surprised and disappointed me and left me angered. The premier has also written emphasizing this government's concern.

That is pretty strong language. In another part of his remarks the minister had this to say:

The proposals of the CRTC are not federal government policy statements. They are unilateral actions by an appointed regulatory agency. I would have expected the federal government to put forward such proposals itself so that the people of Canada and the provincial governments could effectively discuss them with the responsible federal minister as a matter of important public policy.

We do not accept that such far reaching actions can be taken by a regulatory body which apparently considers itself beyond the need for political control and which appears to be beyond the control of the federal government.

I am making public today the letter I wrote to the federal minister on Monday requesting a public clarification of the federal government's position on the subject of consultation between governments on policy issues. I have asked that the federal government make its position known on the issues and proposals of the Canadian Radio-Television Commission. I have also asked that the initiatives of the CRTC be indefinitely deferred until there has been a resolution of the major policy issues involved by the federal and provincial governments.

There are many more things that could be said. The letter was tabled in the Ontario legislature. It is a very succinct and interesting document outlining the very real concern of one minister of communications in one of the provinces, a concern also shared by a good number of ministers of communications right across this land. Yet this housekeeping bill to merge these functions does not admit, recognize or even suggest there is any provincial involvement in the field of communications or telecommunications.

I suggest that this housekeeping bill is built upon such a shaky foundation that it is not the type of legislation that this Minister of Communications should have brought forward. He has had a long period as minister. He has had bilateral discussions with his provincial counterparts, he chaired the first federal-provincial communications conference in November, 1973, and fortunately has now finally called a second federal-provincial conference for May of this year. He has had the benefit of the studies on telecommunications and the green paper. Yet he has come up with a housekeeping bill which, in effect, insults the provinces because it does not even recognize that they exist and have an interest in this field.

I question whether that is the type of federal leadership required in such a complex, complicated field. The minister has been charged with the responsibility of helping resolve some of these problems of communications affecting all Canadians, rather than trying to paper them over with this charade of a housekeeping bill. In terms of who is the housekeeper and/or the powers of the housekeeper in a bill supposed to be a housekeeping bill, we get into the whole question whether the minister is calling the shots, the chairman of the present CRTC is calling the shots, or that great, august body, the House of Commons, is calling the shots on this question fundamental to all Canadians, namely, communications policy.

I appreciate the problem of the Minister of Communications in the House and I know it is shared by other ministers of communications in provincial legislatures. Communications is not a very sexy subject to get all steamed up about. There are many other facets of parliamentary life that can excite the id and the pancreas, and other portions of the human anatomy, in terms of real parliamentary debate. Really, we have not been very partisan or political in terms of any discussion of the present problem of communications; but apart from discussing the economy and all its ramifications, the Minister of Finance (Mr. Turner) and his so-called consensus, or the group of seven who were in the Prime Minister's office until they were kicked out, there is not another subject that more fundamentally affects the life-style of Canadians from coast to coast than this whole subject of communications.

I think it is a very relevant subject, and it is a very relevant question to ask who is the housekeeper in this house that the minister says is being cleaned by Bill C-5. Is it the minister who is calling the shots, is it the chairman of the CRTC, or is it that great, august body, the Parliament of Canada? I do not know whether it is the minister. I suggest he has not been calling the shots that he should have been calling and that he has the authority to call. The chairman of the CRTC is a public servant of the highest integrity and administrative competence. Yet because the minister is not leading the way, you have the situation where the chairman of the CRTC is moving into a vacuum on policy, in terms certainly of cable.

It is not just this minister who has to share responsibility for this, but also his predecessor. The government has to share the collective responsibility. The sadness, to me, of an admission by the minister that Bill C-5 is only housekeeping is the fact that this government has been charged with this task since 1967-68, when the broadcasting bill was passed. That was the last initiative shown on this subject in a legislative way by this government.

At that time the federal government through this minister and his predecessor, could have moved into the field of communications, set down some terms of reference and outlined some guideposts pointing to the direction in which we as a country should go on the subject. Instead, we had study, review, commission, re-commission, telecommission, pause, hesitation, vacillation, consultation and more vacillation. We have had no federal initiative. The ministers of communications in the respective provinces have roared into the vacuum, and now instead of having a unifield, national consensus policy so that Canadians know where they are heading, we depend on the strength of the various provinces, not just Ontario or Quebec but other provinces as well.

Now we have the advent of socialist governments in the deep west. I see the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) in the chamber. He is a resurrection of a socialist government in the west. A resurrection could start here in the House of Commons. However, I will not get into that as it would divert me from my very serious and relevant remarks about this very tricky field of communications. There are many problems in respect of communications, yet the federal government has been sitting, marking time. It is much like the pause before the railway crossing. But this government would make this

minister look like Rip Van Winkle: he would never get across the crossing, because he really never makes a decision, just as he has not come to grips with fundamental problems in respect of communications, albeit at times he has tried.

● (1530)

I think this minister is sometimes misinterpreted, because individually and personally he is a very congenial man, but in some ways I think he has been too gentle as a minister, particularly at times when he has been inclined to attempt to resolve some of these problems with his provincial counterparts.

Here we have a housekeeping bill for a house which I suggest has timber problems because of the different types of termites eating away at the structure and the forms. It has a very shaky foundation because there has been no recognition of federal-provincial involvement. We have a housekeeper of questionable paternity and doubtful power because we really do not know who is calling the shots in respect of communications in this land. We read about Mr. Rhodes, and sometimes about Mr. Farran of Alberta and other provincial ministers. We hear more from them than we hear from this Minister of Communications who should be leading the country.

The one great sadness of this bill is that it is only a housekeeping bill, which really illustrates the paradox in the whole field of communications. It is a field where communicability should be of paramount importance, and the whole paradox is that the ministers charged with resolving problems of communication are not even communicating. With all deference to the minister, I think he must accept a great deal of the responsibility for this situation.

If anyone who is listening to my moderate comments doubts the veracity and substance of the unfortunate charge I make against the minister, who has diddled and daddled and almost fiddle-faddled in coming to grips with these problems, he has only to look at the record. The trouble with this diddling, daddling and fiddle-faddling is that this matter involves a national system. I do not think this minister believes in communications, and I do not think any successor will ever again get control of our communications problems. This whole matter has been growing and expanding and fragmenting almost like division itself. So much has happened that I doubt whether any federal minister for a long time will be in charge of these things so that Canada can have a national communications policy. It will be a very long time before any federal minister can resolve these conflicting jurisdictional problems while at the same time balancing the conflicting interests of the broadcaster, the common carrier and the cable operator.

A review of the recent, relevant legislative history is testimony to the indictment I make against this minister. In 1967-68 the Broadcasting Act was passed establishing the CRTC which was supposed to have a new outlook for all broadcasting and communications interests. The Department of Communications was established in 1968-69 when we had our first minister, Mr. Kierans. On September 18, 1969, the then minister of communications announced plans for a comprehensive study to be undertaken by what was to be known as the telecommission: it was to study the present and prospective outlook of telecommunications in Canada.

That commission actually compiled a lot of interesting and fundamental information on the state of telecommunications in Canada. It produced more than 40 separate studies organized by a committee of officials from the Department of Communications, the Privy Council office and officials of the CRTC. As a result of that telecommunications study and the 40 separate studies, a number of interesting facts were collected—I think, quite frankly, more than put together by any other country. The Minister of Communications is to be complimented on the fact that these studies were finally boiled down into what is known as the "Instant World" summary on telecommunications, which in summary form is one of the most interesting and sometimes conflicting assessments of communications in Canada which we have seen. If anyone wants a bird's eye view about communications, "Instant World" is required reading because the individual would never have the time or the technical knowledge to fully assess or assimilate all these telecommunications studies.

Those studies were all commissioned in 1969—and this is 1975. What has happened during this time? The throne speech of 1970 suggested there would be a white paper on communications. Nothing happened. We did see other people moving in this field because they were not prepared to sit still; one cannot blame them, because nature abhors a vacuum. In June, 1971, the Quebec green paper on communications was tabled. It was not a study; I suppose that provincial government had carried out its studies before then. We had the Speech from the Throne which stated there was to be a communications policy in 1970-71. Our studies continued. In May, 1972, the report of the Canadian computer and communications task force called "Branching Out" was made public. Finally, in March, 1973, not quite two years after the Quebec green paper on communications, the federal green paper on communications was tabled in this House. In April, 1973, the computer and communications policy set out 29 recommendations for computer policy and the report was published.

Finally, after all this effort which started with the Broadcasting Act back in 1968, and certainly the creation of the Department of Communications in 1968-69, the Minister of Communications had before him all the necessary work—I appreciate that there was a lot of it—and convened the first federal-provincial communications conference in the Conference Centre down the street for November, 1973. That conference was intended to discuss various national policy problems—the minister knows better than I the results of that conference—and there was the difference of opinion as to whether ministers were to meet again six months later. They have not met since. I appreciate that there was an election in between. Finally, it has been stated that the ministers of communication are going to get together again in May of this year. That, certainly, is a positive step.

My point is that in view of the legislative history—really, the Broadcasting Act of 1968, with all the studies since then, including telecommunication reports, bilateral discussions and a federal-provincial conference—surely this minister should have come up with something more

than a housekeeping bill. I think the litany of legislative inaction other than studies bears me out in my indictment. The fact is that this is an important and fundamental field which involves radio, television and cablevision all across the country. It also involves common carriers—and we all know about Bell Telephone rate applications. There is nothing more fundamental than this matter, yet the government is just marking time.

I could perhaps use the analogy of another department in respect of our economic problems. Other ministers have been charged with the responsibility of doing something about our economic problems, but all we have seen on this side of the House is a government marking time. That is really an objective comment, because those of us on this side of the House could, quite rightly, say a great deal more. Certainly, we have seen no move in a substantive way on the part of this government in the field of telecommunications.

● (1540)

Even if this is a housekeeping bill, which I suggested earlier is a sad admission, the real question is whether it will help meet some of the problems, or really aggravate them. Without repeating everything I have said, the first, fundamental flaw is that the bill does not recognize in any degree any provincial interest in this field. As I say, I shall not repeat all the problems involved in that respect. The minister may wish to comment on this question; however, it is the most profound and serious indictment one could make in respect of this bill.

Bill C-5—and there was some discussion on this matter in the committee when the minister was there—increases the number of full-time members of the executive council to nine, while the part-time members remain at ten. There is no suggestion that the part-time members will be provincial or regional representatives. When one looks at the bill, one asks oneself if there is to be some form of tokenism in respect of provincial or regional input to this new commission, with the change from five to nine full-time members. I realize the minister attempted to deal in part with this matter in committee. When one looks at the bill, it would appear that the full-time members take on even more power because now, instead of there being merely five full-time members on a 15-man board, there will be nine full-time members on a 19-man board with power to set up special and standing committees to do, I suggest, in effect the substantive work of the commission.

The fact that the number of full-time members has been doubled means there will be a dilution of the input of the part-time members. I wonder whether this was the intent; it might have been. In effect, if that will not be the result of this new commission, I do not believe it will help resolve regional problems and/or conflicts or help in respect of provincial representation if the provinces are to be represented through appointments to this board. Something else which gives concern is the procedure which is outlined in this bill under which the new commission is supposed to function. I alluded to this earlier. There will now be two streams of procedure under the new commission. There will be the present CRTC procedure, which is non-adversary in a sense if the matter involved is a broadcasting matter, and there will be the present CTC procedure, which is adversary in nature because it involves the hearing of witnesses and conducting cross-examination.

In effect, the commissioners of this new commission will wear two different hats: one day they will wear the CRTC hat and another day they will wear the CTC hat. They will have to be sure they get into the right room so that they will know what procedure is to be applied to the subject matter being discussed on a given day. There are no guidelines here in respect of how this problem might be solved. However, with the two new vice-chairmen of the commission there might be one vice-chairman to look after the former CRTC procedure and another vice-chairman to look after, in effect, the former telecommunications, CTC procedure. The two procedures will flow from the two vice-chairmen and, in effect, there will be two parallel streams within the one body which is supposed to be a body to rationalize the complex and complicated field of communications.

I wonder what purpose is to be gained by having two parallel streams under two vice-chairmen. Another question flows from that. If there are two vice-chairmen with two different streams of procedure, will this remove the chairman that much further from his function of keeping a finger on the whole work and function of the commission? Even though I have suggested that the chairman of the CRTC sometimes has moved into an area where there is a vacuum, because of inaction on the part of the federal government, to help make, in effect, almost legislative pronouncements in a sensitive area involving broadcasting and/or communications, at least he is there. But if we have two parallel streams within one commission, under two vice-chairmen, if I were involved in the industry as either a broadcaster, a common carrier or a cable man I wonder whether I would be worried, in that situation, that the chairman would be so far off, in his rarefied, ivory tower, that he really would not be involved.

We have the present situation where the chairman is so sincere and hard working that sometimes he becomes involved in physical participation in the function of the commission. Now it would appear that we are to move to the other extreme of removal because of the two vice-chairmen and two parallel streams of procedure. I suggest this is just as bad as the other. The minister may be able to make some comments on that matter. When we have the two streams, will we have rotation within the commission between the streams, or will four full-time commissioners be assigned to one stream and the other four assigned to the other stream, with all the built-in biases and attitudes that prevail when commissioners or members of a commission hear just one type of problem?

When I first read the press release and the green paper of the minister, I thought one of the reasons for the merger of the regulatory function was not only to create more input—which is not being done by this merger—but was perhaps to bring together, rather than divide, the three elements, broadcasting, cable and common carrier. If some of my fears are justified in practice, one really wonders what will be accomplished by this merger if we are to have two parallel streams, one dealing with the CRTC function and the other dealing with the telecommunications function of the CTC. Those are some areas which create real concern in respect of this bill.

● (1550)

I come back to my earlier question: Who is really calling the shots? In all of this there is one fundamental question: Who is really regulating the regulator? Is it the minister who looks after what the CRTC is doing and who is suggesting that in administration sometimes they are not really up to scratch? Is it right to have licence applications for cable outstanding for six to eight years, as was the case in Saint John where they waited for six years, and also in Regina and Saskatoon where they waited for eight years? Is it right that our cities should be waiting so long for the CRTC to make a determination on their cable applications? As the hon. member who represents Pembroke knows, that city has been waiting for a number of years for the CRTC to decide on microwave in that area. In many other areas there are interminable delays caused by administrative red tape.

It is obvious to me that the Minister of Communications should involve himself more—without in any way interfering with programming—in the actual administrative function of the commission, and he should be much more receptive to the complaints from coast to coast about the administrative red tape and other problems which the CRTC creates. It seems that sometimes the commission is its own worst enemy. The CRTC officials often come before the Standing Committee on Broadcasting, Films and Assistance to the Arts and they use that great escape clause or scapegoat and say, "Gentlemen, your questions are good, very interesting, penetrating, etc., but we are just trying to interpret the will of parliament under the Broadcasting Act and if you want to do anything you will have to change the act".

So what do we have? We have a brand new bill, a housekeeping bill which does not get down to any of the fundamental problems. As I have said, it creates many more problems and it does not give more authority to the Minister of Communications to regulate the regulator any more than has been the case up to the present. Many more things could be said at this stage but I know that other hon. members will want to contribute to the debate. Let me only say that one of the saddest things with regard to this bill, perhaps because of the technical and complex nature of the whole field of communications, is that while it vitally involves all Canadians in the use of cable, in the rates they pay for telephone service under this bill, or in the broadcasting signals, and while it involves the very life-style of all Canadians, it has not stimulated the type of debate either in the committee or in the House that it should have. The last real debate in the whole area of broadcasting was on the Broadcasting Act in 1968.

My colleague, the hon. member for Halifax-East Hants (Mr. McCleave), who is here in the House, is very familiar with that debate: he took a leading part in it, as did the then secretary of state, Miss Judy LaMarsh, who piloted the bill. At that time there were no obvious solutions to these fundamental problems, but members from all sides of the House contributed in trying to seek solutions in this complicated field. Since then there has been silence in the House in terms of legislation, but not outside the House. One might ask, why are we dealing with a so-called housekeeping bill when so many fundamental problems are there to be solved?

[Mr. Nowlan.]

I hope the minister will reply at some stage in this debate to some of the questions that were raised in committee and which I have asked today. I have directed my questions to him in his ministerial capacity. I believe that, after the legislation brought in in 1968 and all the studies that have been carried out, the housekeeping bill before us is a rather pathetic piece of legislation on a matter that is so fundamental, one which involves Canadians in all parts of the country. Perhaps the minister will be able to comment on that matter when he speaks later in the debate.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I did not intend to make any comments on this bill on third reading, but after I heard the hon. member for Annapolis Valley (Mr. Nowlan) I thought I would make a few points. I made many of my criticisms of this bill on second reading and in committee. To a large degree, I sympathize with the Minister of Communications (Mr. Pelletier) because of the problems that he, as federal minister, is facing in this very complex, difficult and important area of communications in the country. Indeed, there have been federal-provincial conferences to try to iron out some of the jurisdictional problems between the federal and provincial governments. Sad to say, there does not seem to have been much progress made at those conferences.

Meanwhile, we seem to be drifting, in terms of a communications policy. I believe we need a strong federal presence in communications, because often we are concerned about the economy of the country, control and ownership, but if our broadcasting system does not meet the needs of Canadians but relies on foreign programs and foreign ideas, then we are eroding the cultural and national fabric of this country.

It seems to me very important that we move speedily in the area of communications to set up a national communications policy and iron out the problems of jurisdiction. Therefore, I was disappointed in Bill C-5 which has turned out to be just a housekeeping bill—although sometimes I wonder about housekeeping bills: often they are sleepers; in other words, some of the administrative changes that are made have far reaching implications.

On the issue of jurisdiction, I would have hoped that Bill C-5 would have done more than just amalgamate the communications part of the Canadian Transport Commission with the Canadian Radio-Television Commission. I had hoped there would have been some recognition of the need for provincial input in determining policy. Again, I think ultimately the final jurisdiction must be in the hands of the federal government. The minister well knows that if he wanted to, he could take the case to court and the Supreme Court would find in favour of the federal government in a case, for example, involving jurisdiction over cable.

I commend the minister for trying the consultative approach in seeking some kind of accommodation with the provinces, but I do not know how long we can follow that route because if we cannot reach that kind of agreement and just keep postponing, meanwhile we will only be drifting in trying to find a communications policy for this country. I hope we can strike a balance—that the federal government, through its regulatory agencies, can have the power to regulate broadcasting across this country and, at the same time, that the federal government will recognize

that because we are such a diverse nation and have so many regions, provinces should have some kind of input in determining policy and some kind of control over distributing broadcasting signals to the more remote parts of the province where, for example, an expansion of educational television could take place beyond the very narrow definition that applies in this area.

● (1600)

I mentioned many of these points at second reading. I do not want to dwell on them again except to say I am disappointed that the bill does not go further: it is only a housekeeping bill. However, I think it does acknowledge that the federal government and the provinces are at a stalemate; they are not making progress. This will certainly hamper the whole country in regard to a national broadcasting policy.

I would like to re-emphasize a few fears I have about the bill just as a housekeeping bill. I hope that because the Liberal members of the committee and the minister have not chosen to make amendments along some of the lines I have suggested in my remarks at this time, they will keep these points in mind for future legislation. I worry about combining the telecommunications aspect of the CTC with the CRTC into this new, super agency because, as I stated earlier, there are parallels where this has happened in the United States with the federal communications commission. Where there is a big agency, there is a tendency to have a fixation on technology and to be worried about the technical aspects of cable distribution, distribution of signals, the kind of equipment and all those nuts and bolts kinds of worries and to lose sight of some of the very important aspects of content. I think the CRTC, the old agency, is to be commended for its stress on and concern for Canadian content in radio and television, and I hope that with the new, super agency we will not slide into the kind of danger and pitfalls the American super agency has fallen into.

I have some concern about the number of full-time and part-time directors on the new board. I think the number should be increased. I know there is a heavy workload for those in the existing agencies. But, more important, I think we should have an expansion of the support staff. There are the appointed directors, but much of the real work is, of course, done by the support staff. I do not see any indication in the bill that the support staff will be increased.

Perhaps my greatest reservation about the bill, even though it is housekeeping, is the lack of provision for consumers to have a say in determining policy, especially as it relates to rate increases. One of the great criticisms consumer associations and citizens across the country had with the old Canadian Transport Commission when it came to telephone rates was that Bell Canada had its battery of lawyers and experts and could produce stacks and stacks of very technical and detailed documents, but the ordinary consumer group of a dozen individuals—or even some of the larger, national consumer groups—did not have that kind of resource background nor the finances to present their side of the story.

This has been a great weakness in our regulatory legislation and it will remain a weakness in this bill. I hope that in future policy, perhaps by regulation, the minister will see fit to provide moneys and support staff expertise to be available to consumer groups so that when they want to come before this new Canadian Radio-Television and Telecommunications Commission on matters related to broadcasting, they will be able to present their arguments, especially on rate increases for cable television also and on other areas of policy.

We hear of the Ontario government having a royal commission on violence shown on television. It seems to me that consumer groups and citizens' groups should have direct access to the commission to present their views on matters such as advertising or violence on television. I see that as a fault in this bill. I hope that in the future we will find some provision for consumer advocacy in the field of broadcasting and telecommunications.

To reiterate, the position of the New Democratic Party is that, as a housekeeping bill, we can go along with it. Perhaps the bill says more about this government's failure or lack of progress in the field of telecommunications. I sympathize with the minister. I will not be totally negative and say he has failed, or that he should resign, because I know how difficult it is in this country to reach agreement with ten provinces and with ten ideas of what communications should be about. But if we are not making progress in conferences and in federal-provincial meetings, then for the sake of broadcasting and for the sake of national unity I suggest the minister will have to take strong action perhaps to test some of the powers in the courts which, under the constitution, the federal government has, to make it very clear to the provinces that we must move ahead and that policy must be ratified.

So we will support Bill C-5. We have expressed our reservations. We are saddened that the minister does not have more support staff and consumer advocacy bureaux for the new commission, but perhaps in the future, as Canadian citizens make their point known, the minister will move in this direction.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I do not want to speak on Bill C-5 longer than is necessary, nor do I want to monopolize the time of the House, but as we know, after third reading, this bill will become law.

The bill orders a type of reorganization of Canadian radio-broadcasting and television. At the time when the minister introduced Bill C-5, some provinces were opposed to...

[*English*]

Mr. Hnatyshyn: On a point of order, Mr. Speaker, I am sorry to report that the translation system from French to English does not appear to be working. I wonder whether there could be a rectification.

Mr. Deputy Speaker: We will look into it immediately.

[*Translation*]

Mr. Caouette: Mr. Speaker, the sound is back. As I was saying, Bill C-5 provides for a revision or reorganization of radio-broadcasting throughout Canada. This bill is extremely important because, like most federal hon. members I feel that we should have some measure of unity in

telecommunications and communications across Canada. As I said earlier, at the time the minister introduced Bill C-5, people—as are indeed still found in Quebec—protested against the intervention of the federal government in the provincial area. Furthermore, a written as well as an oral fight was in fact staged on all Quebec radio and television stations and in newspapers charging the federal Minister of Communications (Mr. Pelletier) with interfering in strictly provincial business. That is not the only area where people in the provincial government oppose and fight the federal government.

● (1610)

Mr. Speaker, those provincial interventions always happen after the federal government decides to take action. That is true not only in this area, but in all areas. The federal government goes ahead with something at a certain moment, and the province says, that belongs to us, not Ottawa. The minister, Mr. L'Allier, says telecommunications and communications in Quebec concern only the province of Quebec. Ottawa is somewhat tolerated but that concerns Quebec. We have quite an outfit in Quebec with respect to broadcasting. They are all lost in there not even knowing where they are going. In Ottawa, in both French and English, I think the provinces—Quebec as others—can reach agreement with the federal government to benefit from a single communications policy for all Canada. There is room for that without having storms in teacups.

Mr. Speaker, nothing prevents the province of Quebec from using radio and television stations when it needs to or when other provinces need to. Everyone recognizes that education is a provincial area. I do not think anything in the Broadcasting Act prevents provinces from drawing benefits from it. Then I say Ottawa must respect provincial autonomy but to hear them cry every time Ottawa takes action becomes somewhat irritating. Ottawa is always accused of duplicating expenditures. Mr. Speaker, I have not seen one single area as far as the province of Quebec is concerned, where I live, in which the province did not duplicate what Ottawa decided and did every time, and after that they want to replace that duplication by saying, that belongs to Quebec, not Ottawa.

Mr. Speaker, no later than this last weekend people like Mr. Lévesque in Quebec would want to isolate Quebec from the rest of civilization. Every time Mr. Lévesque says: A civilized people, as if Quebec was not civilized. He keeps repeating the same thing.

Mr. Speaker, Ottawa has given an example to all provinces. I regret that Bill C-5 does not provide for agreements between the federal and the provinces in certain areas. However, as a Canadian, I think we should have a broad policy in matters of broadcasting and communications across Canada. For instance, if we have to come to terms with a foreign country, Canada is Canada, it is our country. We hear about noisy brats who say: Well, we will make arrangements independently from Ottawa.

Mr. Speaker, these people are causing the Quebec people, the Canadian people and Parliament to lose a lot of precious time.

I suggest again that more could have been achieved with Bill C-5 by expressing the true ideas of Ottawa. If all hell breaks loose once this bill is adopted, a bill which will give rise to increased expenditures, and if we must later make new distributions and grant increased powers to the provinces, we shall have authorized additional expenses which all may be eventually wasted the day we withdraw from the area of communications to allow its take over by the provinces.

Broadcasting is extremely important from the point of view of education. In my opinion, this new commission, which will carry hardly more authority than the CRTC, will have to act promptly to meet the needs of the Canadian people.

People of my area have been calling for improvements for about fifteen years. The improvements have not yet been achieved. In the Lac-Saint-Jean-Saguenay area, in that of Chibougamau, Rimouski and around, permits were asked to improve the systems, the matter has not been solved, it is under consideration, a small commission was formed and inspectors have been going back and forth three or four times a year and no decisions are reached.

Radio Nord Inc., in my area, is now making an application to expand to serve the southern part of Témiscamingue and old Pontiac. The southern part of Témiscamingue includes the city of Temiscaming, Fabre, Béarn, the area close to the Ontario border to the south. There have been requests for improvements in the area of Matagami, between Senneterre and Chibougamau. The CRTC does not reply or says: We are making a study.

Mr. Speaker, time has come to stop the studies doing something. Improvements have been asked for fifteen years. Radio Nord Inc. is prepared to update its system, perhaps not as much as I would like it to, especially in television and I am wondering whether the commission would have the power to tell the company what to do. I have been asking them for two years to provide CKRN with colour TV cameras, but instead of providing them, maybe they are too poor to do so, the boss of Radio Nord, a millionaire who claims to be a socialist in Montreal, when the time came to renew the equipment, went and bought old black and white cameras from Channel 10 in Montreal. We have them in our studios now in Rouyn, Mr. Speaker. At the same time as licenses are granted, let them think about equipment, let them update it so that we are not 15 or 20 years late. The fault does not lie with the government, it lies with those who have jurisdiction over broadcasting and communication. With respect to asking for improvements for them, I would ask the Commission or the CRTC at the same time to suggest that they improve their equipment and provide people over there with the same kind of services as they provide people throughout the province and the rest of the country.

Mr. Speaker, those were the few comments I wanted to make about Bill C-5, which will show us to what extent the minister can reach an agreement with Mr. L'Allier from Quebec or with the authorities from the province of Ontario. The problem seems to be purely a matter of parliamentary or political jurisdiction. Let people know where they stand, let Ottawa work to give provinces satisfaction, all right, but a province should by no means be allowed to go its own way, against or beside other provinces, and I think in that case we should tell Mr. L'Allier: Listen, you stick with us and stay where you are.

We are in Canada, we are not in Cuba. The Prime Minister or someone else said last night on television about separation—I think it was Mr. Bourassa—: While in Europe people are realizing that they must unite and form some kind of federation, here in Quebec we have dummies who would like to throw away everything and start having the same troubles as Europe.

Well, Mr. Speaker, we should not tolerate the broadcasting and communication systems to be used to destroy what we hold dear, what we love, what allows us to be what we are, absolutely free to say what we think, to write what we want.

Therefore, if Bill C-5, with the new commission, aims at achieving better understanding among the people and the provinces, I shall be happy to support a bill which will unite Canadians instead of destroying them as certain people try to do. Let us work for the progress and the development of all Canada which will also enable the provinces to strengthen their position.

[*English*]

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, we have before us Bill C-5. Apparently, its aims are simplicity itself. It seeks to establish the Canadian Radio-Television and Telecommunications Commission. There is a marvellously devious preamble to the bill. It contains the existing letters of the organization and its abbreviation, CRTC, even as it somewhat manages to alter the structure of that organization.

● (1620)

One suspects that the operation, as well as being housekeeping, is also a case of tightening the ship somewhat for the anticipated confrontation between the federal government and the provinces over the issue of broadcasting and broadcast control. That confrontation, at least as it affects my own province of British Columbia, may be a little further away than the minister anticipated when the bill was prepared and as he began to pilot it through.

At one time there was a feeling that the confrontation would develop over educational television. That always seemed the most natural ground on which the confrontation of broadcasting could develop because the provincial jurisdiction in education is absolutely clear and the federal jurisdiction in broadcasting is equally clear. They came together at that particular point and it looked as if the battle could be fought out there, if it was to be fought out anywhere. There has been a lack of development in educational television in recent years. It has not proved to be the effective way of transmitting knowledge, concepts, ideas, morality or anything else that its proponents held it out to be some years ago.

I have always had the gravest doubt about the efficiency and usefulness of the role of television in education. I subscribe to the theory that the prime use of television is for entertainment. I think that all our government problems with this rather thorny, elusive and ephemeral medium would be simplified a great deal if everyone came around to that way of thinking and realized that the role of television is primarily the distribution of entertainment to those who desire to be entertained. Educationally, it has been and continues to be a disappointment. It, like almost all the other aids to education, serves the purpose of placing something between teacher and student. It is one of the reasons why, in North America, people are concerned about a return to savagery. This concern is continentwide. Only human contact can make people humane or fully human.

Attempts in the field of education to place something between teacher and student, be it film, slide or television screen have in many instances served a negative purpose, limiting what has already been greatly limited by changes in programming, namely, the contact between teacher and student. At one time it was felt that educational television would allow a master teacher to teach thousands of students at the same moment. Unfortunately, we tended to lose the concept of the master teacher in the classroom. I contend that the need is greater now than it ever has been to have students meet, confront and be taught directly by master teachers. There has been a loss of excitement over educational television. In my province, the Kamloops school district pioneered a great deal of work. About eight years ago, there was enormous excitement about the development of local television programming that would be educational.

Provincial and other governments have come to realize some of the questions involved. The kind of programming that needs to be developed, and its dissemination, simply could not be handled by a group of teachers knocking around after school. They had to be professionally prepared. The information had to be disseminated, and in many ways this became very expensive. Therefore, the bloom is off; the excitement has died down.

If Friday's edition of the Ottawa *Citizen* is to be believed, we can assume that the takeover of B.C. Telephone by the British Columbia government has been greatly delayed. Hon. members may recall that takeover was promised immediately following the success of the NDP in the last provincial election. There was concern expressed in the province that the culmination of a takeover of B.C. Tel, a move into educational television and the setting up of what would amount to a provincial broadcasting system, would place in the hands of a somewhat doctrinaire political regime an extraordinary power it did not have before. There was a looking to the CRTC and the federal broadcasting control to provide something of a safeguard against what many people found to be a rather frightening possibility.

It seems there will be a delay in the hope of the British Columbia government to take over B.C. Tel. I imagine that will not be a great deal of comfort for people who have just received the news that an application is going forward for a 20 per cent increase in telephone rates in that province.

One thing that bothers me very much about this bill is that the CRTC, along with its other duties, will be spending its time determining the level of rates for telephone subscribers. This has already been alluded to by the previous speaker. The CRTC has been very much preoccupied with cablevision regulation and broadcast regulation in terms of licensing. Determining the channels available and how they are to be distributed for federal television and radio takes an enormous amount of time.

As members of parliament, we receive on our desks copies of all applications that are made across Canada. Some time later we receive copies of the decisions, or notice that a decision has been delayed. The number of applications in the whole country is such that one wonders when the commission, no matter how much it might be increased in size, finds time to do anything except handle them. As earlier speakers have said, even the ones being presented are not always immediately handled. There can be many delays amounting to years.

If you were to ask the average Canadian the work of the CRTC, he would probably reply that it has something to do with licensing. He would probably say it is the body which denied a licence to expand or a licence for another channel for the cablevision company involved. I recall the Broadcasting Act debate in 1968 which led to the change in the act. Arguments were presented in this House against any move to have the federal broadcasting authority in the cablevision field which had grown up without restriction. I sometimes wonder whether the one, lonely individual who seemed to be fighting most of the battle did not have more of a point than was conceded at that time.

● (1630)

I should like to quote one or two lines submitted to us by the Canadian Television Association; part of the discussion paper sent to the minister. This appears on page 5, in item 19:

> Unnecessary restraints on cable companies have created a gap between public expectation and the delivery of cablevision services.

I know for a fact that this is true. People in isolated areas, for example, Elkford and Sparwood, cannot understand why the new technology cannot be used to deliver a clear signal to them by cable. The expectation is there. The little community of Yahk suddenly found that the cost of wiring a cable connection had increased beyond all expectation and was obliged to withdraw the proposal that cable coverage be extended. Yahk is the kind of isolated community where older houses have been purchased by retired persons. Winters are long, and television is expected to provide entertainment during the years of retirement. Disappointment is great. The gap mentioned in the brief is a very real one. It is difficult to explain to such people why there should be such long delays or why their applications are denied.

I suspect that in the back of the minister's mind—I have little doubt this applies also to the CRTC—there is a feeling that somehow this method of transmission will take something away from the off-air broadcasters and in some fashion limit the development of Canadian nationalism through the CBC; that it will prevent the development of what is described as truly Canadian television.

I contend, and I have said this before, that the load of maintaining Canadian nationalism has been placed on those communities which are removed from the United States border and from the major metropolitan centres. For some reason, these people find themselves regarded by the powers that be as responsible for the maintenance of Canadian nationalism; the load is placed on their shoulders in order to salve the consciences of all of us who live in centres where any number of channels, from 5 to 13, can easily be received. Somehow, we all feel better for knowing that certain smaller communities are receiving only one flaky CBC channel, thus ensuring that all is well with Canadian nationalism.

Mr. Paproski: A flaky CBC program; that is a hockey game that's a week old!

Mr. Johnston: Applications for better service are set aside though there often does not appear to be any good reason for doing so, apart, of course, from this vague fear that Canadian nationalism would in some way not be served if action were taken. Thus, a decision is not made, action is delayed for another year, possibly in the hope that in the interim a study will be undertaken which will show that in some way we are better, as a nation, for refusing these applications. However, I doubt whether that will ever be demonstrated to anyone's satisfaction. If Canadian nationalism burns brightly at all, it is in some of the smaller communities, and if it is to be dampened down it is probably dampened down because the people who live in them do not see any connection between their patriotism, their pride in their country, and the fact they are denied the quality of coverage they desire.

There is one other aspect of this subject I should like to mention in closing, and that is the whole question of violence on television programs. I have the feeling that if the CRTC has not been spending a great deal of time on this area in the past, it will be spending even less time on it after taking on increased responsibilities. If the government of this province has found it necessary to appoint a commission, naming as chairman a former member of this House, to look into the entire question of violence and terrorism on TV, it is a sad commentary on the way in which the CRTC has regulated broadcasting in this land.

An hon. Member: An electioneering gimmick.

Mr. Johnston: There are members across the way who are calling this an electioneering gimmick. I suggest they should read the material which is available in the library of parliament. A few weeks ago a list of new material acquired was published by the library. Included in that list was a book I had requested, one which deals with this very question. I think it is called "Where do you Draw the Line?"

It is difficult to ascertain just what can be done to control pornography, for example. The book deals specifically with violence on television. I suggest to hon. members opposite that they should borrow the book and read the comments it makes. If they doubt that it is a matter of great concern, let them go back to their constituents and listen to the people who are talking about the need to reintroduce capital punishment. I am not one of those advocating the reinstatement of capital punishment, but we have to admit there is some connection between the wave of violence sweeping this continent and the fact that night after night we have permitted our television services to carry a compendium of crime.

I am sure that some time in the future, historians will look back on us and wonder how we could have been so simple as to allow the nightly portrayal of violence and criminality to all who care to watch, including the young people of this country. When a province like Ontario reacts, I would say it is high time we began to pay

attention. It is almost certainly an indictment of the federal role in broadcasting, of the manner in which th federal authority has been exercised, and of the way in which the federal regulatory authority has carried out its work. Having regard to the quality of the programming now in evidence, it is not surprising to me that a provincial government should find itself constrained to set up this kind of commission.

I would hope that the CRTC, with its added concern for telecommunications, would find time to carry out the role which I believe was implied in the former designation, Board of Broadcast Governors, a body which I believe carried out as part of its duties the governing of broadcasting right to the programming end. It does not matter at all what we do with the hardware, the software, the off-air or cable broadcasting; if what is distributed to the subscriber at the end is not worth the effort, then we have truly failed. I am very skeptical that there will be any time left in the organization seriously to consider the most important aspect of all in public or private broadcasting.

● (1640)

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, earlier in the debate the hon. member for Annapolis Valley (Mr. Nowlan) was kind enough to recall to the House that I had been in the broadcasting committee when, among other things, Miss Judy LaMarsh and I exchanged poetry, at a time when the House passed the Broadcasting Act a number of years back. I am not going to recall the poetry; I am too much of a gentleman even to publish what she sent to me. Neither will I go over all the reasons why I still bear scars from that particular occasion. This has nothing to do with Miss LaMarsh but it has a lot to do with broadcasting in Canada.

There is one feature I should like to deal with in a very brief intervention in this debate, and this is the question of cablevision—actually cable television, but cablevision since it may include radio channels as well—in the less populous areas of Canada. When this session commenced, or shortly thereafter, I put a star against a question of mine. It was a very brief question and I thought I would get a very brief answer. My question, No. 781, asked simply this:

> Has the Canadian Radio-Television Commission a policy to enable Canadians in less populous areas to receive cable television and, if so, what is it?

As I say, I expected that the answer would be as brief as my question. Instead, as members can observe for themselves, I received a veritable blizzard of paper in response to my question. It not only included a recent reply as provided by the commission to the Minister of Communications (Mr. Pelletier), but also some of the decisions made by the Canadian Radio-Television Commission. As a result, I might have said to myself that the government had no policy at all, the answer was so large and I thought, in some respects at least, obtuse. I am still somewhat inclined to that opinion and I have to apologize to several bare acres of erstwhile Canadian forest which have been levelled in order to provide the paper that provided the answers given so generously not only to myself but to other members of the chamber, consisting of about 100 pages, I would guess.

Then I decided to take a second look at the matter when this particular debate came on. I have done so, and I want to review what I think are the points that the Canadian Radio-Television Commission has been operating on in regard to providing Canadians in less populous areas with cable television. Then I want to make a suggestion as to how almost everybody in Canada can receive cable television.

I make this argument because, even though my constituency be in the older, settled province of Nova Scotia, there are large parts of Halifax-East Hants which are outside the cable systems operating in the constituency. I know that as one goes across Canada, with very few exceptions this is the case. The metropolitan ridings in Toronto, Montreal, Winnipeg and Vancouver would perhaps be exceptions, but generally members must have people in their ridings who do not have the advantage enjoyed by their big cousins of receiving cable television.

I do not know whether I should be arguing the merits of cablevision and whether it is worth while receiving. There is a lot to be said for getting away from television in any shape or form, but I think most people regard it as one of the things they would at least like to have the right to turn off, if they do not already have that right, or, for that matter, the right to turn on.

The answer from the CRTC was given to the minister and tabled by him in the House in response to my question dealing with the commission's view of cable coverage in lower density areas. The first principle that I could discern from the answer of the commission was that where, in its opinion, economic conditions are such that there is little probability of a second service extending on-air coverage in the foreseeable future, the commission's view is that cable should be allowed to act as a means of bringing television to the public, and that this is sometimes the case in less populated, isolated areas of the country. I think that makes reasonable sense and explains itself. Secondly, the commission replied as follows:

> Concerning the extension of existing licensed cable television systems into adjacent, less densely populated areas, existing policies require the service to be provided to any residence already provided with municipal services.

In other words, if your residence is supplied with sewer or water lines, then surely you are entitled to be on a cablevision line. The commission goes on:

> While the commission has refrained from forcing the extension of services to clearly uneconomic regions, which could jeopardize the stability of licensed systems, they have always encouraged mature, well developed systems or those with a high degree of potential growth to expand into neighbouring territories even if such expansion is only marginally viable.

As the answer presented to me by the minister points out, in this regard one might refer to decisions granting licences in Sudbury and Timmins, where in both areas licensees were required to extend service throughout the respective regional municipalities. The Timmins licensee was also required to provide service to Cochrane and Iroquois Falls, notwithstanding that he had in fact not applied to service those areas. Thirdly, in looking at the policy of the CRTC as it was then and ever more shall be until royal assent is given the measure we are now considering, we find this statement:

It should be pointed out that many less populated areas while having a sufficient population base to ensure a potentially successful cable television undertaking, were they able to receive sufficient television signals off-air, could not possibly survive, given the requirement for a microwave delivery system, without a significant degree of support from larger centres.

If you want that to be boiled down into simple English, Mr. Speaker, let me go back to the Toronto Maple Leafs' defence of the 1930s, where little King Clancy had to have big Red Horner alongside him so they could operate effectively as a team. The little fellow could not do it by himself; he had to rely on the bigger fellow to help him.

I think these three citations are the requisites of the policy set forth by the CRTC. When all of them are examined together, I think what they amount to is this, that where lots of people live in houses connected to sewer and water lines, or there are people in remote areas which somehow are adjacent to big cities, then those people can have cable television; otherwise they will have to wait for a new policy. I hope the minister will take this point very seriously and perhaps act as a communications source with the new commission, and that the 19 people or whatever who are on the commission will appreciate the point I am making.

● (1650)

If we are to appear absolutely fair to all Canadians in the developing of communications by cable television, we will have to seize a particularly grisly nettle. It is a grisly nettle if you happen to be a member on the government side, because you have to recognize that not only is it very logical to require services where there are municipal water and sewer services, but you must not judge communications interests on the basis of whether someone runs a sewer line into a particular area. It must be recognized that these services must be provided in certain areas whether the authority wants to provide them or not. They must generally be provided where Mother Bell has already provided her services. The marginal areas have now all been exhausted. We have to tell these people, when their licences are renewed, that they must go out beyond the limits of the metropolitan areas; that they must go out ten miles here and another ten miles there until everyone is covered.

The CRTC has found it can tell people to extend services and undertake greater jurisdiction than they originally wanted. We have to tell these people to provide services wherever the people need communications. They have to provide these services where other communication services have gone before. There must be wider limits in respect of cable television than have existed before, at least according to my understanding of the situation. These companies must match the services provided by our telephone companies, including the Bell system in Quebec and Ontario, the provincial systems in western Canada, the Maritime Tel and Tel, the New Brunswick telephone system and the Newfoundland system. I think the matter is as simple as that.

I also suspect that some kind of directive from the federal government will be required. The government cannot look askance at this new commission if it expects to open up the unserved areas of Canada. This can be done through the operations of the existing telephone companies, because the hardware is already in place to provide service to the remote parts of the country. I think you will find that wherever there is a telephone system there is also the technical and technological ability to provide a cablevision system. This is a choice that has to be made by the government and by this commission, and until the choice is made there will be large areas of Canada not served by cablevision. I make that point as my only point to the Minister of Communications in respect of this new commission.

[Mr. McCleave.]

Perhaps the only other thing I might add by way of a philosophic comment is that it seems very strange, in an age when communication is so very important to us all, that we only get measures such as this one to deal in a fundamental way with communications in the vast areas of this country. It seems strange that in this important area of bringing the people together, with all our new techniques, innovations and technological changes, we should only take such a small step once every ten years. This must be a commentary on our ability to communicate with each other.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I realize I have only a few minutes this afternoon at my disposal, and I know the minister is anxious to make his position clear. However, I am sure he will want to answer some of the questions I should like to pose, as well as the questions asked during the substantial contributions made by others during this third reading debate. I hope in due course the minister will answer the one or two questions I would like to put to him this afternoon.

One of the things I have observed during the 9½ months I have been in this House is the tendency on the part of the government to create administrative tribunals, bodies or agencies to deal with very important segments of governmental responsibility. To use the Department of Transport as an example, since the parliamentary secretary is here and I want to take advantage of that fact, parliament seems to have lost control of certain areas of transportation as a result of the government's delegating responsibility to agencies, Crown corporations and departments.

When an individual member of parliament attempts to obtain information about the operations of an agency involved in transportation matters, the civil servant tends to adopt a very cursory or arbitrary attitude. The civil servant or bureaucrat, if I may use that term, is inclined to take the attitude that in fact it is none of the individual member's business but, for example, is the basic concern of the agency, such as the CBC. I use that as an example as I see that the minister responsible is here, and I would like to take advantage of that fact by again letting him know that this kind of response does not sit well with individual members of parliament.

The point I am making is that while it has been pointed out that this bill in fact is a housekeeping bill to create a new commission with expanded authority over communications in our country, the fact of the matter is that there is nothing in the bill to indicate that this House or the executive in cabinet will have any input in the deliberations of that commission. This fact intrigues me and perhaps the minister in due course will explain why there has not been provision for the government to give direction to the CRTC in matters of policy.

Government leadership is very much required in respect of communications services in this country. If we are to have a viable country in which one part feels as much a part of Canada as another, it seems to me that the institution of services across the country should be the result of government policy and there should be a mechanism or a provision within the bill by which the government can, in fact, give direction that certain services must be provided to certain areas.

This leads me to a rather parochial observation, if I may be permitted to make it at this time. I refer to the services that have been provided over the years in that great province of Saskatchewan. It seems to me that the CRTC in the past has misinterpreted its jurisdiction in respect of broadcasting. It is apparent that the CRTC understands that its responsibility in respect of broadcasting relates to the area 50 miles north of the United States border. The fact of the matter is that in some of the major centres in the province of Saskatchewan there has only recently been the development of a second television station, and I suggest that the size of these cities, with their reasonably large populations, would demand cablevision service.

Mr. Speaker, I see that you are about to rise because it is almost five o'clock, so I will take the opportunity of calling it five o'clock now.

Mr. Deputy Speaker: Unless the hon. member seeks the unanimous consent of the House to carry on for a few minutes, I must call it five o'clock. With the unanimous consent of the House, I will not see the clock for a few moments.

Mr. Hnatyshyn: Perhaps I might ask that Your Honour does not see the clock, in the hope that we might be able to deal with the bill.

Some hon. Members: Agreed.

Mr. Hnatyshyn: Realizing the attention I have received, and the importance of this matter, I appreciate the indulgence of the House in allowing me an extra couple of minutes to bring these things to the minister's attention. If the minister intends to reply, I hope he will elucidate a little in respect of the apparent lack of a provision in the bill which would allow the government and parliament to give directions regarding broadcasting policy.

● (1700)

I understand the basic principle involved and that in the area of broadcasting the government would be very leery in this respect, but I do not think a responsible body or government would abuse that particular prerogative. I think on occasion, however, the government must be in a position where it has the ability to issue directives to a body such as the CRTC. It should have the power to say, if it should be considered a matter of national interest, that service shall be provided to a certain area. If the government, for example, should decide that there should be cable service in Saskatoon, which I believe to be of great national importance, it should be in a position to deal with that matter.

I merely wished to make these few observations in respect of this bill. I hope the minister will have an opportunity to address himself to some of the matters raised by hon. members.

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

Some hon. Members: Question.

Mr. Deputy Speaker: Shall the motion carry?

An hon. Member: On division.

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

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

Mr. Reid: Mr. Speaker, I think there would be agreement to take motion No. 35 standing in the name of the hon. member for Brandon-Souris.

Mr. Deputy Speaker: It that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it also agreed that the motions preceding this one shall retain their position on the order paper?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

SOCIAL SECURITY

SUGGESTION POLICY BE ADOPTED TO REINSTATE CHRONICALLY SICK AND DISABLED PERSONS INTO THE FAMILY AND COMMUNITY

Hon. W. G. Dinsdale (Brandon-Souris) moved:

That, in the opinion of this House, recognizing that an essential part of any social security policy is a program of adequate care, compassion and opportunity for Canada's disabled, the government should give urgent consideration to initiating, in co-operation with the provincial governments, and voluntary groups, specific programs for chronically sick and severely disabled Canadians including (a) mandatory building standards designed to provide easy access to public buildings, schools and universities (b) special housing facilities and adequate educational vocational and employment guidance service and opportunity, making it possible for the disabled person to be creatively employed to the degree that his/her handicap permits (c) the provision of technical and electronic equipment so that handicapped persons might be released from helpless dependency by controlling their immediate environment (heat, light, radio, telephone, TV, typewriter, tape recorder, etc) (d) income maintenance sufficient to enable the disabled person to enjoy a reasonable standard of living (e) the general coordination of policies and programs designed to aid this group i.e., policies that combine the ingredients of a sound rehabilitation program, the medical, social, vocational and educational aspects, in a positive approach that will enable large numbers to be released from static expensive institutional care to a creative life in the family and community.

He said: Mr. Speaker, the debate on this motion is a continuation of a debate which took place in this House on

February 19, 1973. On that occasion the motion was phrased in terms similar to those of the motion today. The whole basis of the motion was to draw the attention of the House and of the government to one of the most urgent social problems confronting Canada at the present time. It is appropriate that for the debate this afternoon we have a representative group from across Canada present in the Speaker's gallery.

Some hon. Members: Hear, hear!

Mr. Dinsdale: The technical aids committee which is sponsored by the Canadian rehabilitation Council for the Disabled has been in session throughout this day in an endeavour to come to grips with some of the problems outlined in the motion before us. Specifically, it has been concerned with making available the growing number of technical aids so that they may be put into service for the severely handicapped and chronically ill citizens of Canada, of whom there are many.

I trust that those who will take part in the debate this afternoon—and I am glad to see a representative attendance in the House—have taken the trouble to read the discussion which took place in 1973. That discussion took place at the beginning of the exercise of the Minister of National Health and Welfare (Mr. Lalonde) based on the presentation of the orange paper which resulted in a dialogue concerning social and health problems over the past two years which is about to come to a conclusion. We anticipate that some legislative recommendations will result from that long discussion between government and representative groups of the people of Canada.

During the previous debate I suggested that a logical method of handling the complex issues embraced in a rather lengthy resolution would be to refer the matter to a committee of this House, preferably a joint committee of the Senate and House of Commons, which could examine in depth all the problems relating to adequate policies and programs for the disabled population of Canada, so that representative groups could appear and a body of information could be brought together, and on the basis of the recommendations of that committee, policy recommendations could be co-ordinated to meet the need.

On that occasion the government declined to accept the recommendation. Now that the discussions with regard to the orange paper are reaching a point of action, I would hope that the recommendation would be accepted during the debate this afternoon so that after a period of two years we might have a body that would move toward implementation of the urgent needs that are set out in the resolution before us.

● (1710)

To tie into the debate on that occasion, let me point out that one of the main points I stressed was that the motion is designed to establish an atmosphere in society where there is genuine respect for the handicapped; where understanding is unostentatious and sincere; where, if years cannot be added to the lives of the very sick, at least life can be added to their years; where needs come before means; where the mobility of disabled people is limited only by the bounds of technical progress and discovery; where the handicapped have a fundamental right to participate in industry and in society according to their abilities; where socially preventable distress is unknown; and where no man has cause to feel ill at ease because of disability.

Several members took part in that debate, including the hon. member for Lafontaine-Rosemont (Mr. Lachance), the hon. member for Hull (Mr. Isabelle) and the former hon. member for Vancouver-Kingsway, Mrs. Grace MacInnis who is no longer with us. On that occasion also I quoted the Minister of National Health and Welfare to the effect that he was giving priority emphasis in his policy considerations to the needs of the handicapped. I believe that is still his emphasis. I quoted at that time from the speech that he made to the Montreal Chamber of Commerce on February 5, 1973. He said:

> In the first place, the social security plan shall ensure to persons unable to work, the elderly, the blind and the disabled, an annual guaranteed income that is fair and compassionate.
>
> This principle is already embodied in a whole series of measures which go back as far as 1927.
>
> These programs, drawn up to meet special needs, have never been fully integrated; on the one hand, because they were adopted at different times for different purposes, and on the other hand, because it happened that the same program came under different jurisdictions.

Recently, the minister made a speech to the Empire Club of Canada. These are interesting and important groups in Canada and it is noteworthy that the minister is using these forums to press on with his crusade. The speech I refer to was made on October 31, 1974. In it he continued the emphasis of his earlier statement in 1973; he referred to the decisions that were about to be made with respect to the upgrading of the health and welfare program of the government, and said:

> There will be a lot of decisions, and they will be difficult ones. What, for example, is the best way—the most humane and most efficient way—of meeting the income needs of those who are unable to work: the physically and mentally handicapped; the single mothers who must remain at home to raise and care for their children—

He listed a whole series of people in this category. I merely want to underline the stress on the physically and mentally handicapped. Later in the same speech the minister said:

> Above all, how can we design the social security system so as to provide adequate income support, and increasingly a combination of income support and income from employment, to people who are handicapped and otherwise unable to achieve full independence, while at the same time ensuring that people who are able to work are found employment, thus enabling to achieve income security through income from employment.

You will see that this emphasis is continuing right down to the present moment. Much progress has been made since the initial debate in 1973, and perhaps it would be most useful at this time if I indicated some of the things that have happened since that time. For example, in March of 1973 there was a conference on technology and the handicapped. This took place with the support of the Department of National Health and Welfare at the Brooke Claxton complex, so obviously it had the official blessing of the government and the department. As a result of that conference there is much additional useful information upon which the government can base urgent action.

Also, since that occasion a committee known as the health care delivery committee was set up as part of the Canadian Association of Physical Medicine and Rehabili-

tation. The members of the committee are outstanding people in the field, such as Dr. Frank Murdoch from British Columbia, Dr. Veronique Susset from Sherbrooke, Quebec, Dr. Doris MacKay from British Columbia, and Dr. David Symington who is the professor and head of the Department of Rehabilitation Medicine at Queen's University. This group, which has now been operating for over a year, has been compiling information that has become available to the government and to the Department of National Health and Welfare.

With respect to the objective of the technical aids committee, we have in the Speaker's gallery this afternoon some of the most active people in the field of rehabilitation. I will not name them personally; I tried to do that when I initiated this topic back in 1973, but on such occasions one tends to miss some names. However, I will say that they are representative of such groups as the Canadian Paraplegic Association which has always provided outstanding leadership.

Some hon. Members: Hear, hear!

Mr. Dinsdale: They also represent the Canadian Rehabilitation Council for the Disabled, and other representative groups from across the country.

Last August, in the city of Vancouver, under the aegis of the Kinsmen Rehabilitation Foundation, the first international conference on technical aids for the handicapped took place. This was a major milestone in Canada's involvement in this increasingly important field of endeavour on behalf of the handicapped. As a result of that conference, a publication is now available which will be in the hands of the government and, I think, will provide all the necessary guidelines to come to immediate grips with the problems of implementing as quickly as possible, in terms of the resolution that we are debating today, a program of electronic and environment controls that is geared to meet the needs of the severely disabled and the chronically ill. It is the feeling of the committee that once we have a program of such controls for the severely disabled, there will be a positive approach to the care, treatment and rehabilitation of the severely handicapped, and I quote now from the last part of the motion—

● (1720)

—that will enable large numbers to be released from static expensive institutional care to a creative life in the family and community.

I want to pay tribute this afternoon to the leadership which has been provided by the Kinsmen Rehabilitation Foundation in the province of British Columbia. That foundation is one of the affiliated agencies of the Canadian Rehabilitation Council for the Disabled, and it is largely because of the leadership they have provided in implementing the program in the province of British Columbia that we have been able to move forward in the technical aids committee to the point where we are now able to make specific recommendations to the Government of Canada.

I know that mentioning names is always risky, but I think it should be placed on the record that people like Mr. Ed Sherwood of the Kinsmen Rehabilitation Foundation, who was with us in the gallery today, has provided leadership. As this is Women's International Year, we should not forget to mention that Miss Margret Perry has been very active in this program as well. She is an occupational therapist who has considerable experience in implementing technical aids programs for the physically handicapped of Canada.

I want other hon. members to participate in this debate this afternoon, but I want to wind up with three major points to bring the whole argument into focus. First, there has been renewed leadership on the part of the physically handicapped themselves, and the Canadian Rehabilitation Council for the Disabled has brought together a conference of the handicapped to deal with the problems of meeting their own specific needs. The first conference took place in the city of Toronto a little over a year ago. I must give credit where credit is due: it was funded by the Department of National Health and Welfare.

Out of that initial conference has come a continuing committee of the physically disabled which is continuing to explore the areas I have outlined in my resolution, that is, transportation facilities, housing facilities, educational facilities, technical aids, income maintenance and general co-ordination of all these problems.

I should point out, too, that there have been specific policy recommendations in this area both from the opposition party and, as I have already indicated, from the minister representing the government side of the House. Again we have reached the important stage of development where, instead of the non-handicapped sitting in conference and committee to recommend solutions for the handicapped, the handicapped themselves have taken control of their own destiny and have come up with some excellent recommendations which have been given to the government for its consideration.

All this, of course, requires funding. Up to the present moment, in meeting the needs of these various activities to which I have referred funding has been on an ad hoc basis. Whenever a request has been made to the officials of the government of Canada who are concerned with the area of rehabilitation, there has been a positive response. But I am sure the minister, or whoever is speaking for the minister this afternoon, will agree that the time has come when there has to be a specific program and a policy which moves beyond the ad hoc approach, and what I have tried to do this afternoon is to point out that there has been considerable input into this subject since this debate last took place in 1973.

I hope the government will respond in a positive way to the recommendations of the CRCD, which has put forward positive budget recommendations which, if accepted by the government, will make it possible to expand the excelent program already under way which I have outlined briefly this afternoon. But fundamentally and primarily, I hope that as other hon. members take part in this debate this afternoon we will obtain support from all sides of the House for the setting up of a committee, preferably a joint committee, which will be authorized to deal in depth with the subject of rehabilitation. There are any number of agencies in the field. What is needed now is policy co-ordination. I hope this recommendation will be accepted and that it will be one of the positive outcomes of our discussion this afternoon.

Social Security Policy

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I want to give my strong and unqualified support to the motion presented this afternoon by the hon. member for Brandon-Souris (Mr. Dinsdale). One of the ways to make one's support effective in private members' hour, of course, is not to take too long, and I will try to abide by that principle. I should like to join with the hon. member in welcoming to the gallery today the members of the delegation which is with us, and to join with him in commending them and their various organizations on the tremendous work they do in the field of rehabilitation.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Since the hon. member for Brandon-Souris and I have managed to break the rule about referring to people in the gallery without, thus far being chided by Your Honour, may I go just one step further and say to the hon. member for Brandon-Souris that I personally am delighted to see his son in the gallery today as well.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): If I may say so, it was my honour and privilege a couple of years ago, in another capacity, to confer upon Mr. Gunnar Dinsdale the degree of Bachelor of Arts at Brandon University, and all of us who know this young man know what an achievement it was for him to reach that status.

Mr. Speaker, the motion of the hon. member is well put. It does seem to cover everything. I think there is only one word missing, but it is probably covered by implication. In the main, the hon. member has done well to point out that such things as income maintenance at an adequate level must be achieved if we are going to help the disabled, the handicapped and the severely ill, but there are many other things we must do. In the main we must co-ordinate the services and the assistance which will enable such people to get out of static conditions in institutions and to live a normal life, or as normal as possible, in the family and in the community, if I may use the words of the hon. member's motion. The only word I do not see in the motion is "transportation", which may be covered by certain other phrases. It strikes me that transportation needs to be organized for the handicapped so that they can get to their places of education, employment, and so on.

● (1730)

All told, and I shall stand by my commitment to be brief, I think the hon. members' motion is excellent. We know how difficult it is to get any motion through in the time allotted for private members' hour. I hope, if it does not get through, that at least positive consideration will be given to the suggested establishment of a joint committee which can work on this matter and push it forward.

I thank the hon. member for his kind reference to my former colleague, Mrs. Grace MacInnis. I am sorry she is not here to speak in the debate on this important motion. We miss her in this House. She, by the way, is on a cruise in the South Pacific. I thought hon. members would be glad to know this. On her behalf and on behalf of the New Democratic Party, I register my strong support for this excellent motion.

[Mr. Dinsdale.]

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, I should like to join in thanking the members of the Canadian Rehabilitation Council for the Disabled for the wonderful work they are doing. I wish to assure them that we are all appreciative of their work and are certainly attentive to their recommendations.

The motion proposed by the hon. member for Brandon-Souris (Mr. Dinsdale) asks the government to give urgent consideration to the rehabilitation of disabled persons by means of providing the necessary income and services to enable them to integrate into Canadian society. While I support the hon. member's intention, I hope we will not slow down the work of the committees. I have faith in the ability of our federal and provincial governments to act on this matter and to implement suggestions of the kind the hon. member has brought forward. Perhaps we can make recommendations, but we should not do anything to slow down the progress of committees.

Allow me, Mr. Speaker, to quote part of the speech of the Minister of National Health and Welfare (Mr. Lalonde) to the conference of federal and provincial ministers of welfare in February, 1975. He said:

> —a concerted effort should be made by federal and provincial officials alike to persuade employers to adapt their employment practices and work arrangements so as to make possible the part-time employment of single parents who are unable to work full-time outside of the home, and the employment of handicapped people who are unable to adapt themselves to normal work arrangements. Efforts of this kind have already been begun in several provinces but they need to be expanded and generalized. The community employment strategy proposed in the working paper on social security, and administered by the Department of Manpower and Immigration, was created for this purpose.
>
> Rehabilitation and training programs must be expanded so as to ready for employment people who are handicapped in terms of personal capabilities or of their training and experience. The Vocational Rehabilitation of Disabled Persons Act and the Canada Assistance Plan provide federal assistance to this end, in so far as my ministry is concerned, but proposals for their expansion and integration will be advanced before the completion of the social security review this summer.

It gives me great pleasure, Mr. Speaker, to speak on this motion today because I feel the federal government can take real pride in its accomplishments so far in this area. After the First World War it became interested in disability because of returning war veterans. Many Canadians tend to forget our Canadian war heroes. We tend to forget the two boys who grew up in Almonte, Ontario, in that little one-roomed school. I am talking of Tait MacKenzie, the sculptor, who is responsible for many of our great pieces of athletic sculpture, and of James A. Naismith who invented the game of basketball. Those two boys skipped a stone off an old rock, as the story goes. One of them eventually went to McGill. Tait MacKenzie, after leaving McGill and having left James A. Naismith in charge, so to speak, sent him to Springfield. He went to the University of Pennsylvania and became a medical doctor. He was instrumental in developing, at the instruction of the president, rehabilitative devices for the American armed forces.

We in Canada did the same thing after the war. Before this some voluntary organizations had taken an interest in the disabled. Since that time we have demonstrated a continued interest in the needs not only of the military disabled but also of the civilian disabled. The national health grants program was instrumental in permitting the establishment of rehabilitation programs, the purchase of

equipment and the training of personnel. The crippled children's grant encouraged the organization of crippled children's societies. In addition, programs such as the Old Age Assistance Act were set up to assist the disabled financially. That act gave assistance to blind persons as early as 1937. This program was followed by the Blind Persons Act, the Disabled Persons Act and the Unemployment Assistance Act.

As Canada evolved it was felt that these programs were too restrictive, had little flexibility and did not provide for services to alleviate dependency. For these reasons the Canada Assistance Plan was introduced in 1966. The government was also interested in vocational rehabilitation. In 1952 it established the vocational rehabilitation of disabled persons program, first under order in council then as a separate piece of legislation. It permits the provinces to provide the disabled with a comprehensive program of services which are necessary to assist disabled persons to become employable, thus enabling them to become integrated with society. In 1973 this program was transferred from the Department of Manpower and Immigration to the Department of National Health and Welfare because it was felt that this would permit closer co-ordination of services to the handicapped, particularly in view of the welfare services provisions of the Canada Assistance Plan.

I recognize the interest of the hon. member for Brandon-Souris in the area of technical aids for the disabled, and will therefore begin my remarks on the subject which is closest to his heart. As I mentioned, the government has had a continuing interest over the years in the needs of the disabled, and the Department of National Health and Welfare has been particularly interested in the area of technical aids. We sponsored a Canadian conference on technology and the handicapped in March, 1973, at which the hon. member was a keynote dinner speaker. Various recommendations of this conference dealt with the need for a national information centre. We are presently supporting a feasibility study for such a centre undertaken by the Canadian Rehabilitation Council for the Disabled and the Centre for Applied Research and Engineering Design at McMaster University—a university which, as the hon. member will realize, is close to my heart.

Mr. Dinsdale: I am a graduate of McMaster.

Mr. MacFarlane: In addition, we supported an electronic control seminar last August at which the hon. member made the opening remarks. This conference acquainted participants with the various electronic aids available. Through the prosthetic services division we are concerned with the manufacture of artificial limbs, braces and orthopaedic shoes and we provide fitting services for these devices. The production, engineering, testing and training unit tests appliances and components developed in various research centres across the country and develops them for general use.

We also provide consultant services on all aspects of prosthetics and orthopaedics to provincial governments and agencies, to commercial and institutional organizations and to clinics. More recently, we have undertaken to put TOSC into production. This is the touch-operated selector control for persons who have limited use of all limbs. It was developed, as the hon. member mentioned in this House last year, by Mr. Bud Cairns, a quadraplegic. By use of two remote switches, the handicapped person can request assistance, use an intercom system, unlock a door, receive and make phone calls and control appliances, including radio, TV, lights and dictating machine.

This has been an exciting development and has been acclaimed as one of the breakthroughs which will permit the severely disabled to leave institutions and live with some independence. These units are now being disseminated throughout Canada, one to a province, in co-operation with the Canadian Rehabilitation Council for the Disabled and, I understand, the Canadian Paraplegic Association.

The hon. member is also aware of our interest in the national technical aids committee of the Canadian Rehabilitation Council for the Disabled of which he is the chairman. This committee is representative of Canadian experts including scientists, engineers, physicians, federal and provincial government officials and agency personnel. We have funded a meeting of this committee in order to gain a better understanding of this complex question and to assist in preparing guidelines on the financing of special devices, some of which are very expensive.

For the benefit of other hon. members here this afternoon who may not be as aware of the technology which is assisting with the everyday problems of the disabled as is the hon. member for Brandon-Souris, I should like to mention a few devices: they include communication aids for the speech-impaired, environmental controls, such as TOSC, and wheelchair designs incorporating new, lightweight alloys. There is even a device available to enable a blind person to read regular print.

The problem lies in the lack of co-ordinated prescription, production and delivery systems for this hardware. Inventors seem to be developing these aids with little knowledge of each other. This is indeed unfortunate as the whole area of modern technology holds great promise for increasing the life, skills, independence and employability of the physically disabled. What is needed now in a co-ordinated approach to the development and delivery of technical aids, and this is the reason we are supporting the consultations with the members of CRCD technical aids committee.

● (1740)

The great majority of handicapped aspire to be as normal as possible. This desire is expressed most frequently in terms of employment. The work ethic is alive and well and living among the handicapped. It expresses itself in a rejection of inertia, a rejection of make-work activities, a rejection of unnecessary sheltered employment, a desire for training and placement in regular jobs. The brief submitted to the provincial ministers of welfare by the national steering committee of the physically disabled, a group of disabled persons, also reaffirms the right of the disabled to employment as a means of obtaining income but also as a means of self-expression and integration into the community.

There was a great example of this last Saturday. A blind student I had seen at McMaster for three years was able to make his way around the campus. Although not a member of my constituency, he arrived at my office last Saturday.

As it was not like the old office, he bumped into things. He sat down and told me his story. He did not want to be in employment where he could not give anything. He has had that for two years. He has a pension about which he could not care less. He had done his work at McMaster and wanted to know if there was something I could do for him. This boy wants to work at something useful. Although I tried to do as much as I could for this boy while at university, I had not realized I was not doing anything to make certain, when he finished, that he could do what he wanted to do. This is indeed a responsibility we must bear in mind. People with this kind of disability want to work as an expression of themselves, not just to do their work.

For many of the disabled, work gives meaning to their lives. A citizen has commented to me that work has a primary role to play in the way his family sees him, the breadwinner. He said, "A man or woman has to feel that he or she is still a man or woman even though disabled. Work also gives me the satisfaction of not being dependent. Work gives me self-satisfaction, self-respect and the pride essential to a human being." Another disabled person was not for work as much as he was against not working; he said, "I work because if I don't, I feel sick. I just don't feel the same. I never wake up all day; I'm in a sleepy mood because I'm not using my energy. I feel dopey."

As I have mentioned, the government has been active over the years in providing the disabled with the necessary training and services to permit them to become employable. This has always been the goal of the Vocational Rehabilitation of Disabled Persons Act. VRDP permits the provinces to offer comprehensive vocational rehabilitation services which include medical, social and vocational assessment, counselling, restoration services, provision of prostheses, training, maintenance allowances, and the provision of tools, books and other equipment. These services can be provided directly by the province or they may be purchased from a voluntary agency.

The act recognizes the uniqueness of each disabled person's problem and allows for individuals to be provided with the services required on an individual basis. In addition, it permits the individual disabled person himself to be involved in the planning and processing of his own rehabilitation. He participates in setting rehabilitation goals for himself in employment and in the means by which he is to reach that goal. Services are available to a person on the basis of his disability and his need for services rather than the financial need of the individual and his family: there is no financial test under VRDP.

Service delivery is co-ordinated under a provincial co-ordinator and the program draws on the resources of all levels of government, the voluntary sector and the private sector; for example, training on the job in private industry. It is supplementary and complementary to existing social services and other related programs. The Department of National Health and Welfare has been pleased to be a part of an interdepartmental committee which is presently studying employment in the public service for persons with special needs. Demonstration projects will soon be set up in Toronto, Montreal, Vancouver and the national capital area with the dual aims of increasing the employment in the public service of persons with special needs, and of providing data on barriers to employment.

When we speak of employment of the handicapped it becomes necessary to speak of sheltered workshops, of which there is a wide variety. The Department of National Health and Welfare has been pleased to collaborate with the Canadian Council of Rehabilitation Workshops in formulating guidelines for the operation of workshops. The vocational needs of disabled persons are similar to those of other people. They, too, seek employment in the world of work at a level compatible with their abilities and potential. At one time or another, all of us have required some assistance in achieving employment and social participation. The disabled person, as is the case of the non-disabled, expects society to provide a reasonable level of assistance in helping him or her to prepare for and obtain suitable employment. When the limitations of the individual do not permit him or her to meet the demands of traditional work settings, alternative work opportunities appropriate to his or her level of capacity should be available.

Many vocationally disabled individuals are able to function effectively in normal employment situations. Others can only do so with the aid of specialized preliminary vocational services to the handicapped, ranging from intensive assessment to ongoing sheltered employment to activity programs where work is one of the several program components. It is important for us here to think of the person being rehabilitated. We should be very careful about getting involved in the sheltered program all the time because many of these people do not want a sheltered program; they want to work on their own and to be accepted into society. We should have programs which try to bring them into that situation.

We also have to think of institutional care. I wish to say here, in a few short words, that while it is important to have institutional care, there are some people who say some pretty strong things about it. A young man said in a letter that he felt he was continually surrounded by people who were going to leave him, people going to the great beyond, people who were going to die. He said he wants to be on his own where he can make his own way. It is terribly important that we should develop the independence of the individual and provide the funds for that individual to grow up in family surroundings, not necessarily in a confined, controlled area.

Another young man in a chronic care hospital said, "It's a lonely place. The main recreation is watching your room-mates die." We should not take those words lightly. These are sincere words; they are not of a person crying in the dark but of one who wants to get out and live and be part of the world, which is justly his or her right.

I have not touched on the mentally retarded; I have been talking largely on the physical. However, it is terribly important to think of these people. I had a wonderful opportunity last Saturday evening. I was invited to a dance in aid of a local initiatives program which I thought was fantastic. I am very proud because this was in my district. In Hamilton Mountain there are some people who work for the Royal Botanical Gardens. Sometimes these people have just been released from mental institutions. If they are given a task where there is not too much pressure

with someone over them telling them what to do, it becomes their task. Within a short period they become rehabilitated and can go out to work. There is a program where these people work in these gardens. They know their area of the garden and they take pride in bringing it on. These people work in a calm surrounding where they do their own thing.

An invitation was sent out to people of all political backgrounds, as well as those involved in the community, to attend a dance in a small centre last Saturday evening. They had Colonel Sanders' chicken and an open, pay bar for those who wanted a drink. The admission was $2.50. Among those attending were persons being rehabilitated as well as those who work in the hospital in nursing and social services. Even the young people who clean the wards were in attendance. There were also businessmen there who were willing to take those who had completed the garden project into the normal work force. We were actually being made to feel part of the scene by the people who were being rehabilitated.

This is the most important thing we can face in this life. We always think we should bring along our children; we feel we should pave the way for them; we feel we should show them the bright prospects as well as the dangers down the road. We must look after those in our country who are disabled for one reason or another, whether it be physically or mentally. We should be prepared to say; "My God; here are our brothers and our sisters. Let us walk forward with them because we need them and we need their help."

● (1750)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I rise at this point to speak for a few minutes only, because I firmly believe the motion should pass this afternoon. This is a subject in which I am deeply involved. I wish to commend its sponsor for introducing it today. Of course we received no notice of it. This is why I have no wish, as the hon. member for Winnipeg North Centre (Mr. Knowles), that the carrying of the motion be presented by prolonged debate.

What is requested here is simply that the government establish a mixed committee to study once more the problems of the disabled social security efforts should concentrate on services adapted to the disabled and more human treatment. Placement especially should be studied; its seems at this point, Mr. Speaker, that studies should be brought to a halt. Emphasis should be put on looking at the facts. I believe that the Minister of National Health and Welfare (Mr. Lalonde) deserves commendation, because the trend is more and more to the practical side. All the disabled ask for is an opportunity to live their lives, to work, to earn their living, to try and live as normally as everyone else. I find evidence of that in my constituency, where a sheltered workshop has been in existence for some years. We benefited from some LIP projects, and we often took part in the minister's demonstration project. I mention the fact only to remind the minister that he promised these projects would become permanent. We had once again this year a splendid LIP project to submit for the disabled in my area. It was turned down by the provincial government for the reason that there was another project. We immediately thought of the project the minister had promised to bring in on a permanent basis. We wish that this project be permanent for this group of disabled persons. I believe the situation is the same throughout Canada: we have been waiting for two or three months. These disabled have nothing more to lose because the LIP project was turned down, and I urge the government to continue its move forward. Studies are a good thing. So is the establishment of a committee, but I am not overly confident on studies at this point. What is needed is practical moves, action. What I want is industries, housing needed by the disabled, but above all jobs that will allow them to live as any other Canadian. When I saw these handicapped people work, I was amazed at the fine pieces of work they could do.

I talked to these people who are happy to be alive. A number of young ones told me: "Sir, we are just starting to live."

I hope the minister will listen to these appeals and provide these people with jobs on a year round basis and help them live like all other Canadians.

[*English*]

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Deputy Speaker: The hon. member for York South (Mrs. Appolloni).

Mr. Baker (Grenville-Carleton): On a point of order, I wonder whether I might ask the hon. member for York South (Mrs. Appolloni) to give up the precious right to speak so that there might be time, in the name of the handicapped of the country, to take a decision on this important matter.

Mr. Deputy Speaker: I do not think such a request is in accordance with our practice. An hon. member may move that another member be heard, but that is a different matter.

Mr. Baker (Grenville-Carleton): We just want to get to a vote, that's all.

Mrs. Ursula Appolloni (York South): Mr. Speaker, I have already spoken several times in this House regarding the needs and aspirations of the handicapped. A private members' bill—alas, far down on the order paper—appears in my name. I am humbly grateful to be able, now, to speak on this motion.

Some years ago, Mr. Speaker, I was paralysed. It is a sobering thought to realize that if I had been elected at that time it would have been extremely difficult, if not impossible, for me to take my seat, since I could not have manoeuvred my wheelchair into this chamber. Indeed, had it not been for the grace of God and the indefatigable efforts of skilled doctors, I would not even have been able to go the visitors' gallery. On that point, I am saddened to see only three wheelchairs in the gallery today; thank God three of them made it. We might start putting our own house in order by building a ramp so that the handicapped could visit that gallery, or any others if they want to, without having to perform acrobatics.

I have promised some good news and now I am happy to give it. I would like to make particular reference to point (e) of the motion put forward by the hon. member for Brandon-Souris (Mr. Dinsdale). It gives me great personal pleasure to assure the hon. member, and indeed the entire country, that the government is not only concerned about sound rehabilitation programs, but is now about to undertake concrete steps aimed at fostering and promoting them. With your permission, Mr. Speaker, I will read excerpts of a letter dated March 26, 1975, which I received from the Minister of Supply and Services (Mr. Goyer). Speaking of various rehabilitation activities and government procurement programs already under way in his department, the minister said:

> I recognize the positive and valuable rehabilitation work carried out by the sheltered workshops and am prepared to take similar initiatives to ensure that they have every opportunity for obtaining work contracts. To further encourage sheltered workshops to compete for government business I have instructed my officials to undertake a review of our present source lists to ensure that workshops interested in doing work for the government will have an opportunity to do so.

I am very happy to say that the letter I have read came from this side of the House. It is tangible proof of the interest taken by the government in the well-being of our handicapped citizens.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Deputy Speaker: Order. It being six o'clock, pursuant to the order made earlier this day, this House stands adjourned until 2 p.m. tomorrow.

Mr. Baker (Grenville-Carleton): Shameful. You people talked it out.

At six o'clock the House adjourned, without question put, pursuant to special order made this day.

HOUSE OF COMMONS

Tuesday, April 22, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIME MINISTER'S OFFICE

REFERENCE TO PURCHASES MADE FOR OFFICIAL RESIDENCE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek leave to move a motion arising out of certain purchases made at public expense for the Prime Minister's official residence at Sussex Drive. I would move:

That in view of the fact that the Prime Minister has purchased at public expense $337 worth of matches and $385 worth of candles for his official residence, the House requests the Prime Minister to state whether these purchases indicate a need for enlightenment in high places or whether in view of the failure of government policies to deal with the galloping cost of living the Prime Minister has finally adopted as his motto the title of the popular song, "I'm beginning to see the light."

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

SUGGESTED EXTENSION OF TERMS OF REFERENCE OF INQUIRY TO INCLUDE ACCOUNTING PROCEDURES—REASON FOR EXECUTIVES LEAVING COMPANY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have one or two questions for the Minister of Transport or, in his absence, the Prime Minister. Perhaps I could address them to the Acting Prime Minister. I should like to ask the Acting Prime Minister, now that an inquiry is apparently to be held into the affairs of Air Canada pursuant to the Inquiries Act, whether he can assure the House that upon additional evidence being presented concerning other areas of Air Canada's activities, the terms of reference will be extended?

Hon. Mitchell Sharp (Acting Prime Minister): I expect my hon. friend the Minister of Transport will be here shortly and will answer questions about the inquiry which has been decided upon. It is my understanding that the inquiry will relate to the particular charges and reports which have been made so far.

Mr. MacKay: The Acting Prime Minister will surely be aware that conditions in the Winnipeg finance section of Air Canada are causing great consternation. Will he consider taking steps to inquire why the finance section has become so chaotic and ineffective that a good percentage of the loss incurred by the airline, over $1 million recently, was due to poor accounting and collecting procedures?

Mr. Sharp: It is my understanding that the inquiry will relate to the accounting procedures of Air Canada.

Mr. MacKay: Perhaps the Acting Prime Minister will also take steps to find out, on a frank and factual basis, why so many capable executives have left Air Canada in recent years, including the present chief executive officer of Eaton's, whose talents the airline could ill afford to lose and whether this exodus has any significance in terms of the way in which Air Canada is being managed and directed.

SUGGESTION INQUIRY SHOULD BE BROAD IN SCOPE

Mr. J. H. Horner (Crowfoot): Does the Acting Prime Minister not believe that if an inquiry is launched on a very narrow basis, while still including accounting procedures, the committee of the House studying the annual report of Air Canada might find that answers to many questions are refused on the grounds that the subject is sub judice? Does he not therefore agree that it would be wrong to embark upon a narrow inquiry and that it would be better to hold a broad inquiry covering the whole aspect of the management of Air Canada?

Hon. Mitchell Sharp (Acting Prime Minister): I do not follow the logic of the hon. member. If the inquiry were to be very broad it would preclude to an even greater extent the normal cross-examination which might take place on the estimates. The purpose of the government is to assist parliament in getting at the facts.

Mr. Horner: This way, excuses will be made and there will be no facts given to us.

An hon. Member: It is the opposition which has been asking for the inquiry.

* * *

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS—GOVERNMENT ACTION TO SETTLE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I ask the Minister of Labour whether he can give the House some information with respect to the situation in the river ports and tell us specifically what

steps are being contemplated by the government with respect to the legal strike there?

Hon. John C. Munro (Minister of Labour): Yes, I can give the hon. member a quick report. It appears that a settlement is very difficult to obtain in connection with the question of job security along the lines the conciliation commissioner, Judge Gold, recommended. This is what is keeping the parties apart. I am giving it one last try to see whether that issue can be resolved. If it cannot, we shall have to consider an alternative which I know all hon. members as well as myself consider unpalatable, that is to say, legislation.

● (1410)

STRIKE OF LONGSHOREMEN IN QUEBEC—ALLEGED ABUSE OF LEGAL RIGHT TO PICKET AS FACTOR IN SETTLEMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a supplementary question to the Minister of Labour. The minister seems to indicate that it is the government's intention at this point in time, having given every opportunity for a settlement between the parties, to focus upon the broad issue of the Gold report. Is it not the understanding or belief of the government that the difficulties concerning this legal strike have to do with the much narrower aspect of the illegal use or abuse of the right of men on legal strike to picket? Is this not the area upon which the government should in fact be focussing its attention in so far as legislation is concerned?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, if the hon. member is referring to the fact that there has been picketing in certain situations, then this is a matter for interpretation by the courts. If someone wants to take out an injunction against picketing, an injunction is issued and if it is disobeyed, we would have to consider very seriously taking legal action against those who disobey the law. When I say "we" I am talking of those people who take out these injunctions, and in this case, being in the private sector, government is not necessarily involved.

Mr. Forrestall: A final supplementary question, Mr. Speaker. So that we understand the Minister of Labour, can I ask him whether he will confirm to us that the government is now giving consideration to legislation for a return to work of workers who have been on legal strike for about three weeks on the basis of the Gold report?

Mr. Munro (Hamilton East): Mr. Speaker, without going into what the legislation will contain at this stage—I think the hon. member will understand my reservation on that score—let me say that when a strike situation does appear to be very difficult of resolution the necessity for legislation is always a consideration of the government.

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AIR CANADA

DECISION ON HOLDING INQUIRY—REQUEST FOR OUTLINE OF TERMS OF REFERENCE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Transport, who has finally come into the House. Has the government reached any decision as to whether or not to proceed with an inquiry into certain financial dealings of Air Canada and, if so, would the minister inform the House of the terms of reference of this inquiry?

[Mr. Forrestall.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this matter came before cabinet this morning and we have decided to have an inquiry under Part I of the Inquiries Act. We have a certain number of names of people who have been suggested by members of the cabinet and others. Before we can disclose them I think it is the decent thing to do to wait for their acceptance, and we have not received any answers yet. I think that before the end of the day we will be in a position to say exactly who will be the commissioner or the person making the inquiry, and we will be in a position—

Mr. Lawrence: What about the terms of reference?

Mr. Marchand (Langelier): Before publicly announcing the terms of reference, Mr. Speaker, I think I should first see a copy of them. I have the authorization of the cabinet to discuss with the judge whether he is satisfied that he has enough power to fulfil his duty as defined by cabinet.

Mr. Broadbent: A supplementary question, Mr. Speaker. If I understand the minister correctly, then at least by tomorrow he should be in a position to tell us what are the terms of reference?

Mr. Marchand (Langelier): Yes, I think so.

Mr. Broadbent: Would he at this time assure the House that the terms of reference, whatever else they may include, will be broad enough to include all the financial dealings of Air Canada?

Mr. Marchand (Langelier): Mr. Speaker, I do not think there will be any restriction. There is one thing which is evident to all members of the House, and it is that we would like to know if there is enough financial control within this big organization, Air Canada, so that the things we think have happened will not happen again. This will be one part of the mandate, and it will not be restricted to that part of the deal referred to by the hon. member for Central Nova. I can give you this general term of reference in that after that we will want to know whether the top management acted quickly enough in this case so we are sure that the interests of the public of Canada were protected as far as this organization is concerned.

REQUEST FOR TABLING OF REPORT ON MR. MÉNARD'S ACTIVITIES AND INTERNAL AUDIT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, when Mr. Ménard resigned as Vice-President of Air Canada last March it was reported that an internal audit was done at that time by Air Canada and that shortly thereafter an internal or in-house investigation of his work was carried out which, it was claimed, totally exonerated him of any wrong doing. Will the minister take steps to ensure that the internal audit report done by Air Canada at that time is made available to the public, and

also, if there was a written report as a result of the investigations of Mr. Ménard's activities, which it was claimed totally exonerated him, will the minister make sure that is made available to members of the House?

Hon. Jean Marchand (Minister of Transport): In the terms of reference as I see them there is no restriction in that regard. I think the man who will be in charge of the inquiry can inquire not only about the deal with the McGregor Agency, but also in respect of the deal that took place involving the Barbados affair. I do not know whether Mr. Ménard is guilty of anything as there has been no judicial inquiry in that case yet. I think we should be satisfied with the scope of the inquiry when we remember that members of the House can ask any questions in the committee on estimates, and that I am going to produce a policy on civil aviation. In that way I think we can obtain answers on anything relating to Air Canada.

[*Translation*]

Mr. Speaker: Does the hon. member for Témiscamingue wish to put a supplementary?

Mr. Réal Caouette (Témiscamingue): No, Mr. Speaker, my question is not a supplementary.

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SOCIAL SECURITY

GUARANTEED ANNUAL INCOME—REQUEST FOR REPORT ON MANITOBA PILOT PROJECT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to put a question to the Minister of National Health and Welfare.

A few months ago the minister advised the House that a guaranteed annual income pilot project would be tried out in the province of Manitoba. Can he tell us today whether that project is now in operation in Manitoba, what its results are, and whether he intends to extend its application to the other provinces in Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, indeed this pilot project has been operating in Manitoba for several months. It will operate for three years after which a period of critical assessment of 18 months will follow. I am therefore totally unable at the present time, to give a progress report on this experiment.

With regard to the last question of the hon. member, to date I have received no request from any other province for a similar project elsewhere, and the government does not intend to extend it for the time being.

● (1420)

Mr. Caouette (Témiscamingue): A supplementary question, Mr. Speaker.

If the government does not intend to make this project available to other provinces, will the minister hold a meeting of some sort with the other provinces to discuss this project?

Mr. Lalonde: Mr. Speaker, the Manitoba project was approved following intensive discussions with all the provinces; the possibility of launching a pilot project was open to any interested province. Manitoba was the only province at that time to show continued interest, to the point of setting up its own pilot project. As to the assessment of this project, it is clear that we will discuss it as we receive reports on the current experiment. On the other hand, we are dealing with the general scheme of guaranteed income during the current review of social security.

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

This guaranteed annual income actually helps strengthen the bureaucracy that applies the whole system. Is the minister considering the establishment of a universal annual guaranteed income which would simply be readjusted at the end of the year in income tax returns, so as to reduce this overly heavy bureaucracy and also give more satisfaction to all the people?

Mr. Lalonde: Mr. Speaker, the proposal having already been studied by the governments concerned, I need not reconsider it. We examined it anew last year and we discarded the option for all kinds of reasons that obviously I cannot detail in the House at the present time.

* * *

[*English*]

POST OFFICE

REQUEST FOR OUTLINE OF WAGE INDEXING FORMULA BEING CONSIDERED DURING CONTRACT NEGOTIATIONS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the Postmaster General. In view of the statement last night on television by the Postmaster General that he agrees with the principle of indexing with regard to employee contracts in the Post Office Department can he tell the House, in view of his agreement with this principle, whether or not he is advancing this as part of the way to a settlement of the postal strike and, if that is the case, could he tell the House what index he is considering or is in fact advancing with regard to a way of escalating salaries in the postal service as conditions change?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I did say I agreed with the principle of indexing as has the President of the Treasury Board on several occasions. This concept was advanced at the last bargaining session. I think the hon. gentleman will appreciate, however, that if we were to divulge our bargaining position so far as the format or indexing level is concerned, we would in effect be notifying the whole world what our position is and this would make a mockery of bargaining. This is something which will have to be determined through future discussions with the union.

Oral Questions

PUBLIC SERVICE

PROPOSAL GOVERNMENT ADOPT POLICY OF WAGE INDEXING—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my supplementary question is directed to the Acting Prime Minister. In view of the statement just made by the Postmaster General that he and his colleague the President of the Treasury Board generally approve the question of indexing, is the government about to announce a policy in respect of public service salaries in general that there will be the principle of indexing recognized in negotiating salaries as has now been recognized in one salary settlement dealt with through arbitration proceedings.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it would be inadvisable to generalize in this way. The Postmaster General and the President of the Treasury Board have indicated that there are circumstances under which this might be suitable. Perhaps this particular negotiation is one of those. It does not necessarily follow that one would want to apply exactly the same principle everywhere.

* * *

PUBLIC WORKS

GOVERNMENT PLANS FOR DREDGING IN VIEW OF FACT ALL DREDGING COMPANIES UNDER INDICTMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is addressed to the Minister of Public Works. In view of the fact that all major dredging companies in Canada have been charged with conspiracy to defraud the government of Canada, and in view of the fact that we are now into a time when dredging demands are made on the government in respect of inland ports, great lakes ports and ports on the east and west coast, I should like to ask the minister what he is doing to discharge these responsibilities.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, we still have under study a technique of tendering and awarding contracts which will effectively safeguard the public interest.

Mr. McGrath: Mr. Speaker, I am sure the country will be reassured by that statement, but I want to ask the minister if he intends, in conducting the day-by-day dredging operations which continue in a demand situation, to do so by using the capabilities of the department or Crown corporations, or by dealing with United States companies or dealing with these companies which have been charged by the police.

Mr. Drury: My hope is that we would be able to make use of all the facilities in the dredging industry to accomplish our purpose.

Mr. McGrath: I have a final supplementary, Mr. Speaker. Do I take it from that that the minister intends to do business with the companies charged with conspiracy to defraud the federal government on dredging contracts?

[Mr. Mackasey.]

Mr. Drury: Subject to appropriate safeguards, Mr. Speaker.

* * *

AIR CANADA

POSSIBLE INCLUSION OF WINNIPEG FINANCE BRANCH IN TERMS OF INQUIRY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, to clarify what the Acting Prime Minister said regarding an investigation into the Air Canada finance branch in Winnipeg, may I ask the Minister of Transport if he would consider implementing a separate inquiry or instruct the private lawyers to encompass the Air Canada finance branch in Winnipeg in view of the fact that the labour and management problems there have been brought up over 27 times in the twenty-ninth and thirtieth parliaments, the billing schedule is presently eight weeks in arrears, there are over $127 million in outstanding accounts receivable—

Mr. Speaker: Order, please. I am sure the question is clear enough for the minister to answer it.

Mr. McKenzie: My question is—

Mr. Speaker: Order, please. I was under the impression that the hon. member had put his question to the Minister of Transport concerning the investigation of the finance branch of Air Canada.

Some hon. Members: Say yes.

Mr. Hees: Yes or no, Jean?

An hon. Member: Say maybe.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): I will not commit myself, Mr. Speaker. The problem is that we will be launching today or tomorrow a very important inquiry whose terms of reference will be very extensive and can be related to several questions included in the quite lengthy question put by our friend from Winnipeg. Anyhow, I think we will carry out that inquiry, see its results and whether it would be advisable to go further and take further action. I am not going to launch three or four inquiries on Air Canada one after the other. It would not be proper to do so.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR TABLING OF REPORT ON INVESTIGATION OF SEAFARERS' INTERNATIONAL UNION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Solicitor General and it relates to questions put yesterday regarding the SIU investigation and report. If the report clearly removes the suspicion of criminality against any member of parliament, why does the minister not table the report, and thus make it public,

so as to remove any doubt that there has been a cover up, thus insulting the intelligence of Canadians who can clearly distinguish between innuendo and improper or illegal conduct?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I mentioned yesterday, it is against a long tradition to publish or issue copies of police reports. Not only might this hurt some of the people who were investigated in this case but also many people who made the allegations outside the House and elsewhere. So I do not think we can release the entire police report, but I am looking at the possibility of releasing the conclusions, the terms of reference and certain parts of the report. I am studying that right now.

Mr. Nowlan: I appreciate part of that answer, Mr. Speaker. Since the Minister of Labour was shown the interim report of the SIU investigation, has he been shown the final report, and, if so, can the minister assure us that any other member who is mentioned in the report will be sent a personally autographed and confidential copy of the report?

Mr. Allmand: No other minister has seen a copy of the report until this time, neither the Minister of Labour nor anyone else.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

SUGGESTION MR. LEMAY RELEASED BEFORE EXPIRATION OF SENTENCE

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I should like to put a question to the Solicitor General.

According to a Montreal daily, Mr. Georges Lemay, well known by the police authorities, would have been released after serving only two of his eight-year sentence. Can the minister tell us whether this information is true and whether Mr. Lemay has enjoyed preferential treatment from the National Parole Board?

[*English*]

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. I read that story, it was incorrect. Mr. Lemay was only released after five years, after the full term of his sentence had run out in accordance with the law and, as the story points out, he has now been arrested on another charge. He has served five years, and when he was released it was not on parole but on the termination of his sentence.

* * *

[*Translation*]

AIR CANADA

POSSIBILITY OF LAY-OFFS AT CHARLES DE GAULLE AIRPORT—GOVERNMENT ACTION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I want to put a question to the Minister of Transport.

My question relates to Air Canada's activities. The authorities of Air Canada-France having apparently decided, on April 3, on the advice of Mr. G. Chiasson, to lay off 82 per cent of Air Canada's personnel at Charles de Gaulle airport and assign their duties to another air company, is the minister assured that the regular procedure provided by French law has been followed in the proposed dismissal of such a great number of employees of Air Canada in France, and can he assure the House that all the necessary arrangements will be made to preserve the job security of these employees of Air Canada?

Hon. Jean Marchand (Minister of Transport): My good friend from Saint-Hyacinthe should know that I have so much trouble understanding and enforcing Canadian legislation, that if he asks me whether I am satisfied that French legislation is enforced in France, I cannot tell him—

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

I know the Minister of Transport has a persistent humour. However, it seems to me that this is an extremely serious question, which concerns Air Canada personnel, and, under the circumstances, if he is not aware, would he accept to tell the House tomorrow, if possible, whether it is true that 82 per cent of Air Canada personnel at Charles de Gaulle Airport must be laid off?

Mr. Marchand (Langelier): The question seems very reasonable to me, Mr. Speaker, and I will try to get a report as soon as possible. However, whether this stems from implementation of French legislation, I do not know.

* * *

● (1430)

[*English*]

INDUSTRY

AUTOMOBILES—REQUEST FOR ASSURANCE CANADA WILL SHARE IN INVESTMENT PLANS OF FORD AND GENERAL MOTORS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I would like to address my question to the Minister of Industry, Trade and Commerce. It is in regard to an announcement that the Ford Motor Company plans to invest $2 billion in the manufacture of small cars over the next number of years. I would like to ask the minister whether he has been in touch with the Ford Motor Company and whether he has received assurances that Canada get a fair share of that investment.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we are frequently in contact with the senior officers of the Ford Motor Company. I am not in a position at the moment to say that there has been any discussion of the details of the program to which the hon. member refers, but I can assure him that, given this information, I will make it clear to him that we would expect the participation of Canada in the program.

Mr. Saltsman: Is it the intention of the minister to make a definite inquiry of the Ford Motor Company as to the percentage of investment and the job training oppor-

tunities which should take place? While he is doing that does he also intend to be in touch with General Motors, which plans a $3 billion investment over the next few years.

Mr. Gillespie: I have been in touch with both companies on the question of investment, and I have made it clear to the automobile industry generally that I expect them to invest in Canada on the same relative percentage basis of the total North American investment as they enjoy in the Canadian market.

Mr. Saltsman: When will the minister be in a position to report on his representations to both Ford and General Motors as to their plans?

Mr. Gillespie: I feel that I am reporting back to the House on a regular basis because this is an on-going situation with the automobile industry at the present time, and I look forward to doing so again in the coming weeks.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED INCREASE IN PENSIONS OF WIDOWS OF RETIRED WORKERS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to direct a question to the Minister of Transport.

This being Women's International Year and Mothers' Day, being only a few weeks away, would the minister be in a position to tell the House whether he has taken or is about to take necessary steps to upgrade the pension of the Canadian National pensioners' widows?

Hon. Jean Marchand (Minister of Transport): —to upgrade the pensioners of women . . . of widows—

Some hon. Members: —of widows!

Mr. Marchand (Langelier): —of widows! Ha! Yes. I hope the hon. member will make written representations, particularly with respect of the widows he is himself interested in.

* * *

[*English*]

EXTERNAL AFFAIRS

VIET NAM—POSSIBLE USE OF ARMED FORCES TO ENSURE SAFE EVACUATION OF CANADIANS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is very serious, and it is addressed to the Acting Secretary of State for External Affairs. In light of the fact that the United States seems prepared to use its armed forces to ensure the safe evacuation of its nationals from Viet Nam, is the Canadian government also planning to use Canadian armed forces, air and naval, to undertake the safe evacuation of Canadians from the area, and is that why there are naval units in the western Pacific?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, Canadian forces do have two Hercules aircraft stationed in Hong Kong. They have travelled to Saigon and brought out some Canadian personnel. They are available to evacuate all Canadian personnel as the need arises. The other forces which are in the Pacific are there for training purposes and not in connection with the evacuation.

VIET NAM, CAMBODIA AND LAOS—NUMBER OF CANADIANS TO BE EVACUATED AND PLANS FOR EVACUATION

Mr. Donald W. Munro (Esquimalt-Saanich): I will address my supplementary question to the Acting Secretary of State for External Affairs and ask him how many Canadians are still left to be evacuated, and are there at present firm plans and alternatives for their evacuation? In the same general context, what about the safety of Canadians in Cambodia and Laos?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, we are receiving regular reports on Canadians in Indo-China, some of whom, of course, do not wish to leave. Those who do wish to leave have the alternative of leaving immediately on commercial aircraft, and as my colleague has said, if in the end it is necessary to use Hercules aircraft to evacuate those who still remain before a possible collapse, those plans would be put into effect.

* * *

AIR TRANSPORT

POSITION OF IATA ON AIRLINE ACQUIRING INTEREST IN TRAVEL AGENCY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Transport. It is not a question relating to specific dealings between Air Canada and a particular travel agency. I would like to ask him whether IATA, the international organization which regulates air travel in general, approves of an airline like Air Canada acquiring an interest in a travel agency.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that is a very pertinent question. I presume that the inquiry officer will have to look into that. If a deal took place, I do not know. I am not the inquiry officer, but there is no doubt that if this deal took place, there surely is a problem in the regulations of IATA, of which Air Canada is a member.

* * *

PUBLIC WORKS

DREDGING—REQUEST FOR OUTLINE OF SAFEGUARDS BEING CONSIDERED FOR NEW CONTRACTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to follow up with a supplementary to questions asked by the hon. member for St. John's East to the Minister of Public Works, who indicated that he is

prepared to accept the services of dredging companies now charged, subject to safeguards. Is the minister in a position now to elaborate on that statement? What are the safeguards he has in mind at this particular time?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I would like to be in a position to say what the appropriate safeguards are, but discussions are currently taking place with the Ministry of Transport, the National Harbours Board, the Department of Justice as well as Public Works to try to determine what is both practicable and adequate.

Mr. Alexander: Can the minister advise whether he is having any discussions, with respect to the safeguards, with the companies which are now charged, and is it the intention of the government to advise the House and the public what these safeguards will be and whether in fact he will seek the approval of the House regarding these safeguards and the contracts before entering into them? I ask these questions because of the very serious nature of the matter and because of the peculiarity of the entire situation.

Mr. Drury: I think that I would probably be very glad to inform the House of the safeguards, but perhaps seeking approval of the techniques to be adopted, which I am sure will commend themselves to the House, would be a time-consuming procedure which would hold up effective work in this area.

● (1440)

Mr. Alexander: Mr. Speaker, a final supplementary. I can understand the predicament in which the minister finds himself, but I wonder if he could advise the House and the Canadian people what the safeguards are before entering into any contracts with the dredging companies, particularly those which are presently charged? Could the minister do that?

Mr. Drury: Mr. Speaker, there is really no great difficulty about that because the period between calling for tenders and entering into contracts is necessarily quite long.

* * *

[*Translation*]

AGRICULTURE

FEED GRAIN SUPPLIES IN THE EAST—GOVERNMENT ACTION TO ASSURE

Mr. Yves Caron (Beauce): Mr. Speaker, I should like to ask a question of the Minister of Agriculture.

Following the great number of questions some hon. members have asked in the House last week from the Minister of Agriculture, and since the problem of grain supplies for eastern farmers has not yet been settled as far as the elevators are concerned, does the Minister of Agriculture intend to take special steps to settle this very urgent problem as soon as possible and, if so, what are they?

Mr. Roch La Salle (Joliette): An excellent question.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the people who are on strike do not come under the jurisdiction of the Department of Agriculture. The grain is still moving. There are still ships moving in the St. Lawrence. Grain is moving out of Prescott and some out of Montreal. We know that feed mills are still being supplied at the present time but we do not know how long that will last.

* * *

HEALTH

IMPRESSION GIVEN TO STUDENTS CONCERNING SEX—GOVERNMENT POSITION

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question was for the right hon. Prime Minister, but in his absence I will direct it to the Acting Prime Minister. An official of the Department of National Health and Welfare stated recently in a discussion, and I will quote this as it is in writing. I hope you will bear with me—

Mr. Speaker: Perhaps the hon. member would just put his question.

Mr. Elzinga: I have no question without the quote, Mr. Speaker.

Some hon. Members: Oh, oh!

An hon. Member: Go ahead.

Mr. Elzinga: Thank you, Mr. Speaker. The quotation is:

> Publications were put into what is called "Generation", a package of information distributed to high school and university students giving them full information on what the problems are . . . At present we have an advisory committee, a working group that is doing a special study on how to go into new ways of trying to convince people, such as, you know "Sex is okay, but V.D. is out".

This is my concern and my question to the Acting Prime Minister is—

Mr. Alexander: What does Mitch know about sex?

Mr. Elzinga: —is it this government's policy to convey to high school students the impression that sex is okay but venereal disease is out?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I must say that I find some support in the House for the first part of that statement.

* * *

ENERGY

DECISION OF INTERNATIONAL ENERGY AGENCY TO ESTABLISH FLOOR PRICES—CANADIAN POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

Due to the fact that the 18 member International Energy Agency has agreed to the establishment of minimum international floor prices for energy and has agreed that this decision should be made by July 1, can the minister tell the House what position Canada is putting forward with respect to the floor price to protect our investment in energy and domestic fuel?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, at 3.30 this afternoon we have a meeting of the National Resources Committee specifically to discuss our adherence to the IEA. I hope the hon. member could put that question to me and my officials who will be present so that we can discuss it more fully.

Mr. Gillies: A supplementary. Will the minister give an assurance to the House and the people of Canada that before an agreement is made on the floor price it will be discussed in the House of Commons?

Mr. Macdonald (Rosedale): We can start discussing it this afternoon.

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AIRPORTS

PICKERING—POSSIBILITY OF EXPROPRIATING TOWN OF STOUFFVILLE—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): My question is to the Minister of Transport. In view of the Prime Minister's statement Friday that the Pickering Airport development will disrupt the lives of only some 2,000 people at Pickering, and in view of the fact that the town of Stouffville, having a population of some 5,000 was found by the airport inquiry commission to be within the undesirable noise disturbance area for the new airport, would the minister indicate if the government now intends to expropriate the town of Stouffville with its 5,000 people as recommended by the airport inquiry commission or has the Prime Minister just chosen to include these residents in his "nobody" class for the purpose of his Toronto speech?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think all questions relating to expropriation should be addressed to the Minister of Public Works who has that responsibility.

Mr. Stevens: Then, if I may I would put that question to the Minister of Public Works. I hope he was listening.

Mr. Drury: No.

Mr. Stevens: To the Minister of Public Works. In view of the Prime Minister's statement in Toronto that only 2,000 people would be affected by the development of Pickering Airport while Stouffville, an area covered by the noise area according to the Airport Inquiry Commission has 5,000 people, would the minister indicate if it is the government's intention to expropriate the town of Stouffville as recommended in the Airport Inquiry Commission report?

[Mr. Gillies.]

Hon. C. M. Drury (Minister of Public Works): No, Mr. Speaker, there is no present intention to expropriate the town. An offer has been made for those who want to leave to regard the government as purchaser of last resort, but there is no intention to expropriate.

PICKERING—POSSIBILITY OF DELAYING CONSTRUCTION IN VIEW OF DECLINE IN AIRLINE GROWTH FORECASTS

Mr. Sinclair Stevens (York-Simcoe): A supplementary question to the Minister of Transport. In view of the general decline in Canadian airline growth forecasts, with Air Canada now setting its growth projection at only 2 per cent for this year compared to 8 per cent, the figure advanced at the beginning of the year, would the minister indicate if consideration is being given to delaying construction of the Pickering airport for at least a year so that these declining growth patterns may be taken into account rather than running the possibility of building an airport with no one to use it?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the hon. member knows that the economic situation which affected Air Canada affected all airlines in the world, particularly North American airlines, one aspect of which was the increase in the price of fuel. I do not know what the situation will be next year. I think we have taken all precautions because we are only building one runway and it will be ready in a few years. In the meantime, we will be in a position to judge if we should go ahead or stop.

* * *

HOUSING

DROP IN NUMBER OF STARTS—GOVERNMENT ACTION TO INCREASE

Mr. John Gilbert (Broadview): Mr. Speaker, a question for the Minister of State for Urban Affairs. In view of the drastic drop in housing starts for March to 138,000 on a seasonally adjusted basis, compared to the minister's annual target of 210,000 starts, is he going to adjust his annual target of 210,000 starts or what steps does he intend to take to increase the starts?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the hon. member obviously shares my concern about the drop in starts over last year. I do not intend to lower my target. I intend to take those initiatives that are necessary to meet the targets.

SUGGESTED LOWERING OF MORTGAGE INTEREST RATES TO STIMULATE HOUSE BUILDING

Mr. John Gilbert (Broadview): A supplementary question. In view of a recent survey of economists by the *Financial Post* who almost unanimously stated that the most important single thing necessary to stimulate housing is to lower interest rates on mortgages, may I ask the minister if he agrees with this finding and if he will recommend lower interest rates on mortgages to the Minister of Finance?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, that is one of the many elements for consideration in my recommendations to the Minister of Finance.

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[*Translation*]

FISHERIES

ALLEGED HERRING FISHING BY FOREIGN VESSELS IN TERRITORIAL WATERS

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I should like to put a question to the Minister of State for Fisheries.

Did the minister or officials of his department receive complaints from Îles-de-la-Madeleine fishermen about ships flying the French flag and fishing herring in the 12-mile territorial zone near the Îles-de-la-Madeleine and, if so, what action does he intend to take?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I have not yet received any such information, but I shall look into it as soon as I leave the House and submit a reply to the hon. member later on.

* * *

[*English*]

AGRICULTURE

NITROGEN FERTILIZER—GOVERNMENT ACTION TO PROTECT SUPPLY IN VIEW OF INCREASING PRICE OF NATURAL GAS

Mr. Arnold Malone (Battle River): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the energy crisis and the increasing price of natural gas, may I ask the minister what policies are being developed to guard against diminished nitrogen fertilizer supplies in this country?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member knows, the National Energy Board has conducted an extensive series of hearings and is now in the process of preparation of a projection of Canadian natural gas supplies for the next ten years. I think he will have a better idea when that report becomes public as to the state of our supply and perhaps the action can be taken.

* * *

● (1450)

NATIONAL DEFENCE

GRENADES MISSING IN TRANSIT FROM DUNDURN, SASKATCHEWAN TO CHILLIWACK, B.C.—INQUIRY AS TO SECURITY MEASURES

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I wish to ask the Minister of National Defence to advise the House of the details surrounding the reported theft of a number of grenades in transit from Dundurn, Saskatchewan, to Canadian Forces Base Chilliwack and, in response to a telephone call, their discovery in various locations in the city of Chilliwack.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the grenades which were missing for a short period of time have all been located and are in safe custody.

Mr. Patterson: In view of the minister's answer, I now wish to ask what security measures are taken by the Department of National Defence or the Department of Transport when such transfers are being carried out.

Mr. Richardson: Mr. Speaker, the highest possible degree of security is taken, particularly when handling explosive weapons of that kind.

* * *

EXTERNAL AFFAIRS

VIET NAM—POSSIBILITY OF REPRESENTATIONS TO HANOI CONCERNING SAFETY OF NORMAN AND JOAN JOHNSON

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the government's decision to refrain from any protests about the aggression of communist forces in South Viet Nam on the excuse that this might endanger the safety of Canadians in that country, have any representations been made to the Hanoi government about the safety of Norman and Joan Johnson, two missionaries from Hamilton, Ontario, who are believed to have been captured at least a month ago by the Viet Cong?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, perhaps I might be permitted to answer this question since I have the information for the hon. member. He will recall that when we contacted the Provisional Revolutionary Government of South Viet Nam through their representatives in Paris, we were referred to one of their earlier statements in which they offered assurance that all foreigners in South Viet Nam not engaged in military activities would be well treated. More recently we have received information from other sources indicating that Mr. and Mrs. Johnson are alive and in good health. Although they are being detained in a prisoner of war camp, I understand that Mr. Johnson is being allowed to do some missionary work during daytime hours. Our efforts to secure their release are, of course, continuing.

Mr. O'Sullivan: I wish to ask specifically whether our government, through our representatives in Hanoi, have made specific representations to the Hanoi government, the central command, about the release of Mr. and Mrs. Johnson, in keeping with the statement the minister just made. Are they going to live up to that statement?

Mr. Sharp: Mr. Speaker, the hon. member does not think there is any distinction whatever between the North Vietnamese and the PRG. If he knew more about it, he would be more careful in the use of his words. We believe it is more effective to deal with the PRG at the present time than to deal with the North Vietnamese.

Oral Questions

HEALTH

DENTAL CARE PROGRAM IN SASKATCHEWAN—REQUEST FOR INCLUSION OF INDIAN CHILDREN

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for either the Minister of Indian Affairs and Northern Development or the Minister of National Health and Welfare. It concerns the availability of certain dental care in northern Saskatchewan. In northern Saskatchewan, dental care is being advertised for certain children between the ages of three and 16, excluding those who are under the federal Indian health services. Have representations been made to the minister to have this service available to those who are presently under Indian health services or, conversely, has the department initiated any discussions with the province of Saskatchewan to have the plan co-ordinated?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we have discussions underway with the government of Saskatchewan on this subject. Our policy is that the government of Saskatchewan should take care of Indians outside of reserves, while my department will be responsible for the Indians on reserves. However, I must say I am having difficulty convincing the government of Saskatchewan to exercise its responsibilities in this regard.

Mr. Korchinski: Will the minister advise whether there have been any representations from the Indians with regard to this matter?

Mr. Lalonde: Mr. Speaker, we have had representations from the Indians from time to time on the subject of health services. I believe discussions were held with Indian representatives on this particular point several months ago.

REQUEST FOR INCREASED FUNDS FOR RESEARCH ON IMPLANTABLE ARTIFICIAL PANCREAS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It is as a result of a letter I received from the Brant county medical officer of health. It refers to the fact that the Medical Research Council has three times in a row turned down an application for a grant to develop an implantable artificial pancreas in those who suffer from diabetes. This involves many hundreds of thousands of people throughout the world. Will the minister reconsider and grant more funds to the research team at the Banting Best Institute in Toronto?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my answer will be very simple. The Medical Research Council is an independent body; it determines the amount and the allocation of grants at its complete discretion. I do not intend to intervene, nor do I have the power to do so, in the decisions taken by the council in respect of some research projects. These projects are not determined by politicians but rather by a group of scholars who carefully consider every project submitted.

[Mr. Sharp.]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—GOVERNMENT ACTION TO SETTLE

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Labour.

Considering the interest shown for many weeks by hon. members from both sides of this House and the fact that the minister said earlier today that a last effort would be made today to reconcile the interested parties in the longshoremen's strike, could the minister tell us whether Mr. Poirier is still mediator for the federal government and, which is very important to all farmers, how long the government intends to wait before bringing forward the special measure mentioned by the minister earlier today?

[*English*]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. Mr. Poirier is still the mediator, I can advise the hon. member. I think he will agree that affairs affecting the port of Stanley qualify him for that particular job. As to the latter part of the hon. member's question, we are not prepared to wait very long.

Mr. Clarke (Vancouver Quadra): Mr. Speaker, I rise on a point of order. In answer to my question yesterday, the Minister of Transport indicated that I seemed to be well aware of all the facts. He continued "and if he is not, he will be informed of them tomorrow". Since we did not hear anything from the minister, I wonder if I might assume that my facts were correct.

Mr. Speaker: Order, please.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

COMBINES

ANNOUNCEMENT OF ROYAL COMMISSION TO STUDY IMPLICATIONS OF MAJOR CONCENTRATIONS OF CORPORATE POWER

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the last several years Canadians have seen an increasing number of changes in corporate organization in Canada through acquisitions, amalgamations and mergers as well as through the growth in size and activity of many corporations.

In a growing economy it is natural that participating corporations will grow in size, strength and capability, and this is also desirable. It is always, however, necessary to ensure that while maintaining flexibility in Canadian corporate activity so that business can continue to meet the changing challenges of domestic and international commerce, the dynamics of change in corporate life are, nonetheless, contained with the needs of the public interest. Concentrations of corporate power in Canada must not be allowed to take place where the result would be injury to the fair operation of the capital and financial marketplace. The availability of the resources necessary to

Canadians as a whole to continue to participate in an expanding and successful economy is of fundamental importance to Canadian society.

With current activity suggesting that further large-scale concentrations of corporate power in Canada may be taking place, particularly in relation to conglomerate enterprises, the government has decided that it is necessary to inquire into whether and to what extent such concentrations of corporate power confer sufficient social and economic benefit to Canadian society as to be in the public interest. The government considers these questions to be serious and to require prompt examination, including whether existing legislation and planned amendments to the Combines Investigation Act are sufficiently comprehensive as to ensure protection of the public interest.

The government is, therefore, today appointing a royal commission under part I of the Inquiries Act to investigate the economic and social implications of major concentrations of corporate power in Canada and to make recommendations as to safeguards which may be required to protect the public interest in the presence of such concentrations.

An hon. Member: Another one?

Mr. Trudeau: It is the first since we have been in office. I do not know what "another one" means here. The commission is being instructed to report with all reasonable dispatch.

[*Translation*]

Mr. Speaker, a former secretary of the cabinet, former deputy minister of finance and, more recently, director of the International Monetary Fund, Mr. Robert Bryce, will be appointed chairman of the commission. In the very near future, two other commissioners will be appointed to assist him.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, as usual I speak for a constructive opposition, and I think an inquiry of this sort will serve a useful purpose. I cannot help but wonder, however, whether an inquiry with regard to the concentration of corporate power within Canada alone will necessarily be completely enlightening: it is quite possible to have concentrations of power internationally which, though not looming very large within Canada, could have a substantial effect, even a highly detrimental effect, upon life in this country. I would therefore think it highly important for the Government of Canada to take some initiative with regard to the examination of the concentration of corporate and perhaps other forms of power on a worldwide scale with a view to examining the effects upon the world at large and upon Canada in particular.

I shall have two or three questions to put to the Prime Minister (Mr. Trudeau) on the implications of his statement. For example, does it mean that the government intends to hold up the legislation now before us to amend the Combines Investigation Act until this inquiry has been completed? Does the government intend to hold up, for example, the proposed take-over of Argus Corporation by Power Corporation until this inquiry is complete? Has the government given any consideration to the investigation of other possible concentrations of power within our country?

I do not want to raise any howls from the unions or anything of that sort, but I think it might be prudent for the commissioners appointed under the Inquiries Act to be given authority to look also at other possible concentrations of power which may have an unfortunate effect upon the social and economic life of this country, contributing, for example, to the inflationary push. I will seek the privilege of questioning the Prime Minister on these points at an appropriate time.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is now ten years since John Porter's monumental study of power in Canada, entitled "The Vertical Mosaic," was published. During those ten years, Liberal governments, which normally specialize in royal commissions, have not even followed their usual course of setting up an inquiry into the subject. It has taken them ten years to set up a royal commission to look into the concentration of corporate power. Moreover, in the period I have mentioned the lamentable state of Canadian society from the point of view of those concerned with justice and opportunity, so well described by Professor Porter, has become worse, as was so ably documented by the Minister of National Health and Welfare (Mr. Lalonde) in the speech he gave last fall in Toronto.

Looking at the statement the Prime Minister (Mr. Trudeau) has made, I see at the outset an encouraging sign. The terms of reference give the commission power to investigate the economic and social implications to the public interest of major concentrations of power in Canada. That is encouraging. But if we look at the authority to make recommendations, we find that the commission has the authority only to recommend safeguards to protect the public interest in the presence of such concentrations. The conclusion I reach is that the commission will be entitled only to set out procedures designed to mitigate existing situations. However, it is not going to be authorized to come up with a set of proposals that would recommend any principle of fundamental change in the system itself if it found such concentrations of power were not desirable in the public interest of Canada.

● (1510)

The situation concerning the concentration of power in the western world has already been ably documented by many scholars in many lands. In our own country we have had, I think, one of the most distinguished contributions to this literature just recently published. I refer to the work of professor Wallace Clement of Carleton University, which is not far from the Hill. The title of his book is "The Canadian Corporate Elite". In fact, he is the son-in-law of a Liberal member and I congratulate the member on his family connections.

In my view, we do not need a royal commission to look into the problems posed by the concentration of power. The kind of findings that have been made in general in recent years in other countries have been brought together in a thorough, coherent and cogently argued way by Professor Wallace Clement in his recently published book. What are some of his findings, which I hope will be considered by the commission? First of all, that during

recent years the opposite of what the statement says has happened. At one point in the statement there are suggestions that further large-scale concentrations of power in Canada "may be" taking place. That is a euphemism. It is not simply suggested by Professor Wallace Clement but it has been documented that in case after case and in sector after sector of the Canadian economy we have had an increasing concentration of economic power among a small elite in our society.

That is my first point, Mr. Speaker. My second point bears on the question whether the commission will have the right to make recommendations for change.

Our banking industry in Canada has played a crucial role in financing foreign corporations in their attempts to take over major sections of the Canadian economy. Is this commission going to have the authority to recommend a change in the fundamental nature of the Canadian banking system?

My final point bears directly on one of the tasks assigned to the commission in terms of whether concentration of power is of social and economic benefit to Canada. The conclusion Professor Clement reaches in his book is that concentration of economic power in Canada is fundamentally inimical to those who believe in social and economic equality; that to achieve a society in which equality of opportunity is at all possible, a fundamental change in the nature of economic power in Canadian society is required. I doubt very much whether we are going to get that kind of recommendation from this kind of commission.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, some forty years ago, the Stevens enquiry was ordered in Canada to achieve just about the same objectives as those the Prime Minister set out in his statement. We have seldom heard of it since. I would hate this new commission to have the same fate; I would like to know where we are going.

Mr. Speaker, the new royal commission announced by the right hon. Prime Minister will certainly discover cartels, monopolies, coalitions and concentrations, but not only in the field of big companies where obviously they exist. We, of the Social Credit Party of Canada, have a basic principle, which we clamour and express right across Canada. I quote:

[*English*]

We firmly believe that the individual is the most important factor in organized society. Because he is a divinely created being with spiritual, mental and physical needs and potentialities he has inalienable rights which must be respected and preserved.

Because of this belief, we are unalterably opposed to communism, fascism and all forms of totalitarian government which make the individual citizen subservient to the state.

We stand opposed to political organization whose aims are the furtherance of the sectional interests of organized labour, business, or finance.

[*Translation*]

Mr. Speaker, the royal commission of inquiry announced by the Prime Minister should take in consideration what the then Prime Minister learned in 1931 and what I learned myself in the encyclical *Quadragesimo Anno,* to wit:

. . . they hold the money and completely control it, control credit also and rule the lending of money. Hence they regulate the flow, so to speak, of the lifeblood . . .

Mr. Speaker, if that commission only investigates to find out large corporations, we do not need it. The present legislation deals with corporations, monopolies, thieves and so on. Mr. Speaker, not only is there concentration in the hands of corporations, but there is also concentration in the hands of labour unions, which is also a danger for the average citizen.

I learned this morning about the complaints of the CNTU that there are agreements between the QFL of Montreal, the James Bay Corporation, the government, the City of Montreal and what have you to control labour.

Mr. Speaker, that commission should be instructed to consider labour relations or conditions as much as trade, industry and corporations in Canada. We will then surely find solutions to the problems which we are now facing.

[*English*]

Mr. Stanfield: Mr. Speaker, may I ask the right hon. Prime Minister whether it is the intention of the government to hold up consideration of the amendments to the Combines Investigation Act or certain aspects of those amendments until the commission completes its work? I ask this in view of the reference of the Prime Minister to the terms of reference of the commission as including whether existing legislation and planned amendments to the Combines Investigation Act are sufficiently comprehensive to ensure protection of the public interest, and so on.

Mr. Trudeau: No, Mr. Speaker, on the contrary: we hope that the opposition parties will co-operate with the government in expediting the adoption of phase one of our competition policy, the legislation that is presently before the House. We certainly intend that that shall become law, parliament willing, by the end of June.

The government has made it clear that this phase one is to be followed by a second phase in the next session of parliament. The second phase would contain many provisions, but I think it is probably fair to sum up the spirit of that proposed legislation as being intended to ensure greater efficiency of the economic system in Canada. It is possible that if we get the recommendations on this in time, we could incorporate some of them or at least consider them before the end of the next session. If there should be some delay, we could still proceed with the second phase and consider acting again in the session after next, if such action seems to be warranted following the report of the commission.

Mr. Stanfield: A supplementary question, Mr. Speaker. I do not want to argue with the Prime Minister about this; I just want to know what his intentions are regarding the legislation. Is it the intention of the government to take any interim action to prevent further large-scale movements toward concentration of corporate power in the country? To be specific, is it the intention of the government to hold up the proposed takeover of the Argus Corporation by the Power Corporation pending the report of the inquiry to be conducted by the commission announced today?

● (1520)

Mr. Trudeau: Mr. Speaker, as far as I am aware, the government has no legal means to hold up such a transaction even if it found it desirable to do so. The full import of my statement today is that we want to have more knowledge in order to know whether this type of concentration of economic power is in the public interest. Certainly, at this time there is no intention on the part of the government to attempt to hold up this particular transaction. To repeat, even if we wanted to do so, we do not have the legal means. Of course, it may be that the concentration of power after the contemplated merger takes place will be such that there may have to be some action taken under the present Combines Investigation Act in certain areas; but that is a hypothetical situation for the time being.

Mr. Stanfield: Mr. Speaker, it is pretty difficult to unscramble an egg, but in any case I thank the Prime Minister for his frankness. I would ask whether it is going to be a matter of government policy, now, not to request a particular deferral or postponement of action unless the government has the power to enforce it. It seems to me—I have noticed this on a few occasions, at least—that in the past the government has made requests of people in business and in other forms of life in this country not to do something when the government did not have the slightest vestige of legal power to justify it, but sought co-operation and nearly always obtained it.

Mr. Trudeau: That is true, Mr. Speaker. I do not mind confessing that the setting up of this royal commission is an indication by the government that it is not clear to us what will be the effect of the proposed takeover of Argus by the Power Corporation. Perhaps it is clear to the opposition and, if so, I will be glad to entertain any representations on this from the Leader of the Opposition.

As far as we are concerned, we are not able to reach any clear conclusion at this time as to whether this might improve the economic efficiency of the Canadian system, whether it would produce more, or less, jobs or whether it would make Canadian companies more, or less, able to compete in international markets. These are very difficult questions. I repeat that we would not be setting up a royal commission if we had some definite views on this proposed takeover or on the general theory of the concentration of economic power.

The examples the hon. gentleman refers to were areas where the government was able to state policy and back up that statement by proposed legislation, but we are not in this position with regard to the takeover to which the hon. gentleman refers.

Mr. Broadbent: Mr. Speaker, my question to the Prime Minister relates to his understanding of the words in the terms of reference which indicate that the commission will investigate economic and social implications. With regard to the social implications, I would ask if he understands that to mean that the commission will investigate, in the context of looking at corporate power, such ideals as equality of opportunity in Canada, for example. Is it the government's intention that this kind of social implication will be looked at? If the conclusion is reached, after assessment of the concentrations of corporate power in Canada, that the ideal of equality of opportunity is a contradiction in terms in such a society, will this commission have the right, as the Prime Minister understands it, to recommend certain steps to make a fundamental change in the corporate power that might be required to achieve equality of opportunity?

Mr. Trudeau: Yes, Mr. Speaker, the commission will have the right to recommend what it sees as the best means of pursuing greater economic and social justice in Canada. I doubt very much that this commission would want to take ideological positions such as those for which the NDP is perhaps searching. I do not think it would want to take such ideological positions. I imagine that, quite to the contrary, it would try to make the market economy more efficient and just in Canada. This is the general framework within which we are operating. However, the word "social" has been put in there with the positive desire to make sure we are not looking only at the economic consequences of such concentration of power.

Mr. Broadbent: Just to be perfectly clear on the Prime Minister's answer to that question, Mr. Speaker, is he saying it is his understanding that the terms of reference of the commission, however broad they might be, should not go beyond the operations of the current kind of market economy we now have in Canada?

Mr. Trudeau: No, Mr. Speaker. I believe that the expression "market economy" is a very general expression that covers market economies as they will exist in time, and market economies as they now exist. The hon. member should know that there have been a great many variations in market economies both geographically and in time.

Mr. Broadbent: I have one final supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby will observe that I am in some difficulty in attempting to limit this kind of question period. Another member of his party also seeks the floor. I will not be able to see everyone who wants to ask a question, because in attempting to apportion the time I have to limit the individual time in some way.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question for the Prime Minister.

According to his statement about that royal commission of inquiry, private enterprise will of course be well monitored so as to determine whether or not there is too much concentration. Giving the Prime Minister an example, I wonder whether the royal commission will go further than he suggested in his statement. For example, if at a certain moment corporations are brought under public ownership, as was the case with insurance companies in Manitoba, and if after one, two or three years that public ownership results in lost profits for private enterprise, and I am thinking about the $25 million auto pact deficit in Manitoba, this is certainly not profit! Will the commission be empowered to tell the Parliament of Canada whether nationalization by provinces will also be monitored and examined by the commission so as to determine whether

or not private enterprise works for the individual or whether nationalization does?

Mr. Trudeau: I do not think the royal commission is moving into that direction. It will deal mainly with the concentration of economic power but if governments or socialist parties want to destroy or disperse their economic power in the manner suggested by the hon. member, that is their problem rather than ours.

[*English*]

Mr. Clark (Rocky Mountain): Mr. Speaker, while acknowledging the qualities of Mr. Robert Bryce, I should like to ask the Prime Minister why the government, again in this appointment as in the recent appointment of a senior executive officer of the CBC, has resorted to a man whose experience, while distinguished, has been predominantly in the public sector; and will some of the other commissioners have a private sector background, in light of the general mandate of this commission?

Mr. Trudeau: Mr. Speaker, the whole intention of the royal commission is to take steps to increase the extent of the public interest in the economic system. It should not be unnatural, when it comes to public interest, that we have recourse to a very distinguished public servant. To answer the other part of the hon. gentleman's question, he may not have to wait too long before seeing who the other two commissioners are; but I understand he is making suggestions to me.

● (1530)

Mr. Speaker: Order, please. I propose to see three other hon. members before concluding this matter, the hon. member for York-Simcoe, the hon. member for St. John's East, and the hon. member for Waterloo-Cambridge.

Mr. Stevens: Mr. Speaker, would the Prime Minister indicate whether he feels that the terms of reference of this royal commission will be sufficiently broad to enable a complete review and investigation of the Canadian banking situation, including the Canadian chartered banks whose aggregate assets have grown from about $20 billion to $100 billion since the last royal commission?

Mr. Trudeau: Mr. Speaker, it seems obvious to me, from the hon. gentleman's question, that he is indicating an area where there is a great concentration of corporate economic power indeed, and the answer undoubtedly will be yes.

Mr. Stevens: Mr. Speaker, would the Prime Minister indicate, if he can, that the terms of reference of this royal commission will be sufficiently broad to cover Crown corporations and, in turn, is he contemplating setting up a further royal commission that perhaps would look into big government, such as the Glassco commission which looked into government expenditures in general?

Mr. Trudeau: Well, Mr. Speaker, I think the opposition party should get itself together. When I announced this royal commission, some members of the party said "Another royal commission," and another member is already suggesting another one.

[Mr. Caouette (Témiscamingue).]

Mr. McGrath: Mr. Speaker, in view of the fact that the appointment of this royal commission would indicate that the present Combines Investigation Act is inadequate—and there is nothing in the amendment now before the committee that would cover these inadequacies—I ask the Prime Minister if he would consider allowing the House to see phase two of the Competition Act, which would assist us in expediting passage of phase one which is now before the committee.

Mr. Trudeau: Mr. Speaker, I really do not see why the hon. member has to know what the government intends to do one or two years down the road in order to make up his mind about what we are putting before the House now. If he wants to know the general direction of government thought, he can go back to the bill that was put before the House by the now Minister of National Revenue a couple of years ago which had two phases, one and two, in the same phase.

Mr. Saltsman: Mr. Speaker, the announcement of the establishment of a royal commission came as quite a surprise. One would have assumed that over the years the government would have made some decisions on this question of concentration. It seems to have made some decisions; it has been encouraging various forms of concentration in consortiums. On the occasions when ministers have been asked about the dangers of large corporations, they invariably have replied that the government has the power, can sort it out, and that we do not have to worry about it.

My question to the Prime Minister is a somewhat philosophical one; however, I believe it is a terribly important question. It deals with the terms of reference being given this royal commission. Does the Prime Minister intend to ask the royal commission to examine the question of power itself and who has it? Do the corporations have the power, as some people think, or does the government have the power and is simply failing to use it on the corporations? I think this is a pretty fundamental and important question, and unless this matter is given to the royal commission for examination it may simply concentrate on the assumption that it has not been done this way.

Mr. Trudeau: On the preamble to the question, Mr. Speaker, I confess that the government did not have a final position on this subject of concentration of economic power and whether it was or was not, in certain sets of circumstances, beneficial to Canadians generally. I confess the government's inadequacy in that regard. I think the hon. member would understand this, because I do not see coming from his party any great statements on concentrations of workers' power in trade unions, a subject to which the Leader of the Opposition referred. I think for the serious members of that party—I include, of course, the present House leader of the party—this is a very serious question, the question of concentration of economic power in trade unions. I repeat that our policy is not final on either one of these matters. We are tackling one aspect of it at this time. I hope the New Democratic Party can give us some inkling of its philosophy in respect of the other aspect of concentration of economic power.

The final part of the question has to do with power itself and whether or not the government has it. If this is what

the hon. gentleman is leading to, I would certainly agree that in a constitutional sense the government has the power to act. I do not agree that in a legal sense we have made laws which permit us to interfere with the rules of the game as they are now played legally by the corporate players. This is why, in the terms of reference, it is indicated that we want recommendations on what laws might be adopted by parliament, should that be necessary, in order to make sure that that power can be exercised.

Mr. Speaker: Order, please.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John. M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,039, 2,163, and 2,164.

I ask that the remaining questions be allowed to stand.

[*Text*]

LIP—PROJECT APPROVALS IN KENORA-RAINY RIVER, 1972-73

Question No. 1,039—**Mr. Cossitt:**

1. For what reason did a memorandum from the office of the Minister of Manpower and Immigration, dated January 30, 1973 addressed to Mr. D.C. Trehearne, then Director of Programmes for the Local Initiatives Programme, among other things, in effect, order approval of LIP projects in a number of named constituencies, including the constituency represented by the Parliamentary Secretary to the President of the Privy Council?

2. Were the projects to be approved in the constituency of the Parliamentary Secretary to the President of the Privy Council numbered K1457, K2595, K1660, K2575 and K1384?

3. What are the full details of the above numbered projects including, in each case (a) the names of those signing the application (b) the nature of the project (c) the amount of funds granted (d) the names and addresses of all persons recommending acceptance of the project (e) the name of the designated Regional Minister for the area?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Not applicable. This memorandum did not "in effect, order approval of LIP projects in a number of named constituencies . . ."

2. The addresses of the sponsors of these projects were located in the constituency of Kenora-Rainy River.

3. (a) See appendix A (following); (b) See appendix A (following); (c) See appendix A (following); (d) The Department of Manpower and Immigration regards as confidential the names and content of all representations made to the Minister or the Department; (e) See Sessional Paper 291-2-2319.

APPENDIX A

K 1457: (a) H. A. Solomonian; (b) A municipal improvement project in the town of Rainy River including painting and repairing of municipal buildings, cemetery maintenance, sidewalk renewal, waterline renovations, and operation of winter recreational facilities. (c) $37,689.

Order Paper Questions

K 2595: (a) J. C. Callan; (b) Construction of a municipal building to be used as community hall, a museum, and a municipal operated camp trailer park; (c) $57,703.

K 1660: (a) D. Fournier; (b) Organization and supervision of a children's winter sports program and a senior citizens recreational program; (c) $43,758.

K 2575: (a) A. L. Beebe; (b) Installation of an 8 inch feeder line from the water storage tank to a booster pumping station; (c) $17,550.

K 1384: (a) Mr. G. Reid; (b) Construction of a community hall and the cutting and improving of snowmobile trails; (c) $32,295.

TRANSFER OF REGIONAL HEADQUARTERS OF PARKS CANADA FROM CORNWALL

Question No. 2,163—**Mr. Cossitt:**

1. What are the names and addresses of all persons or groups of any kind who have recommended to the government that the Regional Headquarters of Parks Canada be moved from Cornwall to the Toronto area and, what reasons did they give for recommending such move in each case?

2. What is the total number of jobs that will be lost to Cornwall and Eastern Ontario as a result of this move and, what is the total annual payroll at the present time of all such employees in the Cornwall area?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Management decision based on the operational requirements of the Program, to maximize operational and administrative effectiveness in program achievement.

2. The current level of federal employment in Cornwall will be maintained and there will be no net loss as a result of the relocation. Parks Canada payroll for employees at the Cornwall Regional Office was $1,336,000 last year.

TRANSFER OF REGIONAL HEADQUARTERS OF PARKS CANADA FROM CORNWALL

Question No. 2,164—**Mr. Cossitt:**

With reference to the answer to Question No. 1,266 which stated in part that the Parks Canada Regional Headquarters will be moved from Cornwall, Ontario, to "be somewhere within reasonable commuting distance to the other federal government services..." and "within one hour commuting time of Toronto", what is a complete list along with the exact locations of the government services referred to that are within one hour commuting time of Toronto?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): The Federal Government services referred to are supplied by the following departments in Toronto: Department of Labour; Department of Public Works; Department of Justice; Department of the Environment; Department of Indian and Northern Affairs; Department of Supply and Services; Public Service Commission; Department of Energy, Mines and Resources.

Mr. Paproski: Mr. Speaker, I have a few questions on the order paper with regard to CIDA. I was hoping that the parliamentary secretary would answer at least one or two of them each week. It seems that the government have

something to hide, and if so I wonder whether they would tell me what they are hiding.

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES

On the order:

Consideration of report stage of Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, as reported (with amendments) from the Standing Committee on Miscellaneous Estimates.—The President of the Privy Council.

Mr. Speaker: Order, please. I have had an indication of two points of order. I suspect the one by the hon. member for Winnipeg North Centre (Mr. Knowles) has to do with proceeding with the report stage consideration of this bill, and that the other by the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) has to do with the manner in which we should proceed if we do proceed. If I am incorrect in my assumption, I stand to be corrected. If I am correct, it would seem proper to take first the hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, Your Honour is quite correct. The point of order I wish to raise at this time deals with the question of whether we should be proceeding at all today with the report stage of Bill C-44. The basic reason for my questioning the right of the House to proceed today with the report stage of Bill C-44 lies in the fact that in my submission the committee on miscellaneous estimates which dealt with Bill C-44 and reported it to the House included in the bill amendments which the committee did not have the authority to make. Therefore, sir, I contend that the bill as reported to us is defective in form, that Your Honour should so rule and that Your Honour should instruct that the bill be referred back to the committee so that the committee may make any amendments it wishes in accordance with the rules. This would not prevent the committee making recommendations to the House concerning matters that it could not write into the bill itself.

Prior to my seeing the order paper this morning, which contains the report stage amendment in the name of the President of the Privy Council (Mr. Sharp), I had faced the fact that I might have to argue at length concerning the rules that were broken by the standing committee. Any such lengthy argument, I suggest, is now not necessary because the motion put down in the name of the President of the Privy Council is an admission that certain amendments that were made in the committee should not have been made at that stage. Even so, I think that two or three of the citations that bear on the point should be put on the record in this procedural debate. I draw your attention, sir, in particular to citation 246(3) of Beauchesne's Fourth Edition which reads as follows:

● (1540)

The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also its objectives, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge. And this standard is binding not only on private members but also on ministers whose only advantage is that, as advisers of the Crown, they can present new or supplementary estimates or secure the royal recommendation to new or supplementary resolutions.

The same point was spelled out in citation 249(1). I should like to read just the first two sentences, which are as follows:

"No cases can be found of any private member in the Canadian Commons receiving the authority of the Crown, through a minister, to propose a motion involving the expenditure of public money. No principle is better understood than the constitutional obligation that rest upon the executive government, of alone initiating measures imposing charges upon the public exchequer—

Likewise, citation 250(4) says it again. It reads:

The fundamental terms of a money resolution submitted to the House with the Governor General's recommendation upon which a Committee of the Whole is set up cannot be amended.

I interpolate to suggest that the same applies to a standing committee. It continues to read:

Amendments will only be in order if they fall within the terms of the resolution. The procedure in committee on those resolutions follows in principle the procedure of the Committee of Supply, and amendments are out of order if they are proposed with a view to substituting an alternative scheme to that proposed with the royal recommendation.

The recommendation in the name of the Governor General that was attached to Bill C-44 when it was first brought in last December provided for certain indemnities, salaries and allowances for members of parliament, members of the Senate, cabinet ministers, and so on. The committee studying the bill brought in amendments reducing those figures in some cases. There is certainly no quarrel with that, speaking procedurally or in any other way, so far as that goes. There is no question from the precedents that an amendment can be moved calling for a lesser expenditure than was set out in the Governor General's recommendation. But the Governor General's recommendation provided for a fixed indemnity, allowance or salary which in all cases, was to remain at a set amount for the duration of the thirtieth parliament. There was no authority in the Governor General's recommendation for any scheme of indexing or escalating any salaries, allowances or indemnities in the thirtieth parliament. The committee studying this bill recommended an indexing or escalating formula that would apply in this parliament to all the indemnities, salaries and allowances referred to in this bill.

I make the point that if that indexing is applied—compounding it as called for—the result at the end of this parliament would be higher salaries and allowances than would have been the case under the old bill. But even if that were not true, it is an alternative scheme; it is some-

thing totally different from what was recommended in the Governor General's message to the House and I submit that therefore any such amendment without the Governor General's approval is out of order.

The other point I wish to make is that the Governor General's recommendation did propose an escalation or indexing formula to apply in the thirty-first and subsequent parliaments. But the committee studying the bill discarded that precise formula in its entirety and instead brought in a proposal that after each election, the next one and all the rest of them, a commission should be established to review the rate of indexing or the rate of escalation, and if that commission recommended to the government that the rate of indexing be increased, the government would have the authority to put that into effect by order in council.

At some stage in the proceedings we shall be dealing with that in terms of substance and I will have some strong things to say about it, but at the moment I am trying to confine myself to procedure. I submit—and there is no doubt in my mind about the correctness of what I am saying—that there was nothing in the Governor General's recommendation attached to the original bill that would permit the House to delegate that kind of authority to be exercised by the cabinet by order in council. I think, also, that there is some question about the setting up of a commission. Every time anyone else proposes a commission, the question of what it would cost comes up. I think it is pretty generally established that to appoint a commission requires the approval of the Governor General.

In my view, the committee thus erred on three counts. In the first place, it provided for an escalation formula in the thirtieth parliament, which is not covered by the Governor General's recommendation; in the second place, it provided for the appointment of commissions in future parliaments, which is not covered in the Governor General's recommendation; and in the third place, it provided for an indexing formula in the thirty-first and succeeding parliaments, which was not forecast in any form in the Governor General's recommendation. Therefore, I contend that the committee gravely and seriously exceeded its authority by bringing in these three amendments to the bill. The other amendments that have been put in the bill, whether or not I agree with them, cannot be attacked procedurally, but I submit that these three are grossly out of order and if they were allowed the whole financial procedure of the House of Commons would be thrown into a tailspin.

I said earlier that when I looked at the order paper this morning I realized that I did not have to speak at length on that phase of the matter. Perhaps I did not need to speak as long as I have, because the motion that has been put down by the President of the Privy Council seeks to cover these three points, and the motion has attached to it a new recommendation from the Governor General. That, among other things, is an admission that the three amendments of the committee to which I referred were not correctly made since the committee did not have the power to make them.

But that leads us to the question as to whether it is now appropriate, the committee having broken the rules, for the government simply to correct all of that by putting down a motion which asks that the House, at the report stage, delete the whole clause 2 of the bill, the one where all the mistakes are, and then put it back in again almost in the same words but with the Governor General's recommendation attached thereto. It may seem a bit clever to do it that way; it may seem to cover the point by now producing the Governor General's recommendation—

● (1550)

An hon. Member: Why didn't you put in amendments yourself?

Mr. Broadbent: We did.

An hon. Member: If the bill is no good, then why did you put in amendments to it?

Mr. Knowles (Winnipeg North Centre): The hon. member across the way is asking why we have put in amendments. One does not yet know what the ruling of the Chair will be, and if the amendments brought in by the committee are allowed then we will claim the right to try to amend them. If those amendments are ruled out, then of course our amendments are not necessary.

Mr. Broadbent: Even a Liberal can understand that.

Mr. Knowles (Winnipeg North Centre): But the point which must trouble Your Honour—and I suspect that Your Honour has given it much thought, especially in the last 24 hours; it is a new point compared with one which was obvious a week ago—is whether it is now appropriate to correct that mistake simply by allowing the President of the Privy Council to move the motion which is on the order paper today in his name.

I submit that if what the committee did was wrong, the Chair will have to tell the committee that it will have to do the job over again and do it correctly. In other words, in my view the bill should be sent back to committee and the committee should be told that the amendments it made to clause 2 are inappropriate; that it can send the bill back again with the amendments to the other clauses and with the recommendation, if it wishes, that the bill be amended at the report stage along the lines of what is in clause 2. But I submit that it would make a mockery of our procedure if it were possible for a committee to make all those mistakes and then for them simply to be corrected on the floor of the House by the introduction of a motion which says: Take out all that is wrong and put it back in again in the same words, but attach to it a royal recommendation.

I hope some of my friends, like the hon. member for Peace River (Mr. Baldwin) and the hon. member for Edmonton West (Mr. Lambert), who have been pretty good watchdogs in terms of Governor General's recommendations, and so on, will for the moment realize that we are not debating the substance of the bill; we are debating the procedure. I hope they will agree with me that if this practice is allowed, from here on when money bills go to committees, any private member in such a committee can move an amendment which involves the expenditure of money and no chairman will be able to stop him.

An hon. Member: Provided the Governor General agrees.

Mr. Knowles (Winnipeg North Centre): There is nothing in the report of the committee to this House which says that the committee submits these amendments provided the Governor General agrees. The report of the committee is simply the report of a bill, and the chairman of that committee raised no procedural objection to these amendments; therefore I say that chairmen of committees in the future will not be able to register procedural objections to money amendments to money bills.

There is going to be a bill amending the Old Age Security Act soon to be brought in by the Minister of National Health and Welfare (Mr. Lalonde). I have in mind the one which will provide pensions to spouses between 60 and 65 where the other spouse is over 65. In that committee I will be able to move that the pension be increased and that it be paid to all persons 60 years of age or over, and if the chairman tries to say that that is exceeding the Governor General's recommendation, I will be able to cite this bill, C-44, as an example. I will say that surely I have the right to make my motion and have the bill reported, in the hope that the President of the Privy Council or someone, when we get back to the report stage, will bring down a recommendation of the Governor General.

I am an opposition member, I have been most of my life, and I may be in the opposition for quite a while yet—

An hon. Member: For the rest of your life also.

An hon. Member: Certainly in the opposition.

Mr. Knowles (Winnipeg North Centre): —and we on the opposition side frequently feel frustrated by the requirement of the recommendation of the Governor General. I am sure that if anyone has done any procedural research in the last day or so, he has probably found occasions when I have tried to move amendments which involved the expenditure of money, only to be told that I could not do so because I could not obtain the recommendation of the Governor General.

One which comes to my mind in particular was in 1966 when we were debating the Medical Care Act. The present Secretary of State for External Affairs (Mr. MacEachen) at that time was the minister of national health and welfare. We pleaded with the minister to amend that act to make it possible for medicare to extend to optometrists and other paramedical groups. At first the minister said no. I moved an amendment for that extension but was told it could not be done because I could not produce the recommendation of the Governor General. So we pleaded with the minister to do it. The minister finally agreed, but I draw the attention of the Chair to the way with which it was dealt. Once the minister had agreed in committee of the whole that the act should be amended to provide for these paramedical services, under certain restrictions, the committee rose, reported progress, a new recommendation of the Governor General was presented to the Chair, the resolution attached to it was passed and we went back into committee and made the appropriate amendment.

But—and I say this to my hon. friend opposite—the order should be noted: we obtained the approval of the Governor General first, not afterwards. Once we establish a precedent that the recommendation of the Governor General can be obtained afterwards, we private members in this House are in for a field day: we can do it every time a money bill goes to a committee.

I also remind the Chair of the experience of this House when another important piece of legislation, the Canada Pension Plan Act, was dealt with in 1964 and 1965. I ask that it be studied in particular because I think it is a classic example of the right way to do things. In the special joint committee on that bill we found that there were a number of changes we wanted to make. Some of them were procedural and administrative. It was within our power to make them, we made them in committee and so reported the bill. But there were other changes we wanted to make which we and our joint chairmen knew we could not do because they involved the expenditure of money, so attached to the bill we sent back a report recommending that certain additional changes be made and the government brought in the appropriate recommendation of the Governor General and the appropriate legislation to make those changes.

I submit that that is the correct way, and that is what this committee should have done. I am not now saying whether I think it should have done it because I want the substance of the committee's proposal, for I do not, but I suggest that procedurally the committee should have confined itself, so far as the bill was concerned, to making those amendments it had the right to make, but that with respect to amendments it had no authority to make it should, instead, have made a recommendation to the House and to the government that those recommendations be made.

I submit that what is now called for is a ruling of this House that the steps should be retraced and that it should be done the right way. I am sure there will be hon. members who will ask what difference there is, and who will say that the end of that process will be just the same as if we today accept the motion of the President of the Privy Council; that we will send the bill back, we will get the same thing back and we will be right back where we were. But the point at issue is the financial procedures of this House, the question of the authority of the executive and the question of whether private members can make these changes.

Incidentally, just to make the record clear, most of the amendments made to this bill in committee were made in the name of the Parliamentary Secretary to the President of the Privy Council (Mr. Reid), who is a private member, but one very important one was made by the hon. member for Malpeque (Mr. MacLean), a private member who sits on this side of the House and who has no authority to obtain a recommendation of the Governor General. He moved the amendment which calls for the government in future parliaments to have the authority to set up a commission and on the basis of that commission's report to increase the salaries of members of parliament by order in council without coming back to the House of Commons at all.

These things could have been the subject of a recommendation by the committee to the House, whereupon the government could do what the President of the Privy Council is now doing, but I submit very seriously that this procedure is one which does great havoc and great harm to our financial procedures.

● (1600)

Mr. Speaker, I realize that every member of this House knows, and a lot of people outside this House know, my feelings about the substance of this bill. I know my views are not popular with most members of the House, but that is not the issue. I hope some, like the hon. member for Edmonton West and the hon. member for Peace River who disagree with me thoroughly on the substance, will support me on the procedure, that if we let this go this way we will have done great damage to the whole arrangement.

I have one other point to make. I ask you to consider the unfairness of the position in which we are put by the motion of the President of the Privy Council. I ask you to consider what happens when that motion is voted on. I make the point that the result would be the same either way. If the vote for the motion carries, then the wording in the name of the President of the Privy Council becomes part of the bill. But if that motion is defeated, we are back to the wording that was put in there by the committee, which is really the same wording. The numbering is different and one little clause having to do with a minor matter is left out, but whichever way the vote goes, the result is the same. We have no opportunity on the motion of the President of the Privy Council to say that we do not want this arrangement either way.

Let me put that again, Mr. Speaker: if the House votes for the motion of the President of the Privy Council, then his motion becomes part of the bill. If the House votes against it, the result is that the words introduced by the President of the Privy Council do not go into the bill and, instead, the words that are already there, put in by the committee, stand. It is the same either way. I submit that for the House to be put in the position where, whether it votes yea or nay, the situation is the same is hardly giving the House an opportunity for decision.

I may have things to say on other points of order, Mr. Speaker. I shall certainly have something to say on substance, but the basic point I am making now is, as you surmised when you gave me the floor, that the House should not be proceeding with this bill today. Let me say this: if Your Honour decides there is nothing wrong with the bill, that the committee was in order, then we can proceed—but even the President of the Privy Council admits there is something wrong, by his motion—but if it is found that the bill is defective, then it should not be before us; it should be sent back. To proceed with this bill at this time and to try to correct it, instead of going back and redoing what was wrong, would put the procedures of this House of Commons in serious jeopardy.

I hope you will find, therefore, that the bill that is before us is defective and cannot be considered at this report stage. If someone tries to argue that we are not amending the wording that was put in by the committee, we are really amending the wording that was put there in the first place, then we are in trouble—lines that are referred to in the amendment, and all that sort of thing: we are in real difficulty. I submit, despite the anxiety of many members of the House to get on with the legislation, despite the sensitive nature of the whole thing, that it ought to be done in the right way. This is the last piece of legislation about which parliament should cut any corners. I therefore hope it will be sent back to committee.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I submit that you should authorize the House to consider the bill that is before us, and particularly the amendments that have been put down. It is my submission that the question of whether the bill is in order cannot be decided at this juncture because there are, in fact, six notices of amendments. This indicates that the House will eventually be asked to concur in and pass the bill, maybe in a different form.

I followed with great interest the arguments of the House leader of the New Democratic Party and reviewed them in my mind. It is a difficult point, but I think the simple question that we have to consider now is whether we should proceed with consideration of the motions to amend the bill. The hon. member for Winnipeg North Centre (Mr. Knowles) makes the point that if we proceed with this bill it will be possible for members to amend bills, and somehow in this way to increase their opportunities of having the amendments approved even though they exceed the recommendation of the Governor General. It seems to me that if at any stage a committee were to exceed, inadvertently—and I think that may be the case in the instance before us—the royal recommendation, of course when the bill came before the House in its amended form it would be for Mr. Speaker to decide whether the bill did exceed the authority that had been granted for expenditure under the royal recommendation.

In this connection, on the point of whether the bill should be resubmitted I would draw Your Honour's attention to a ruling of Mr. Speaker Lamoureux, to be found at pages 499 and 500 of the House of Commons *Journals* for July 20, 1973, where he said:

> There is no recent precedent that I know of even with the assistance of the advisers to the Chair at the Table, to indicate that the Chair could take this rather bold step of refusing, on behalf of the House, to accept a bill as amended in committee. I think that committees, to some extent, have to accept some responsibility, and return to the House bills which contain amendments which are procedurally correct.
>
> If the Chair were to take the initiative and suggest that some of the amendments, particularly an amendment or amendments which in effect amend the Parole Act, cannot be accepted, I would be placing the Chair, and the committees, and the House, in the position that in every instance where a bill returns from a committee there might be an appeal from rulings of committee chairmen, to the effect that the ruling of a chairman on a procedural point, accepting or refusing an amendment, should be reviewed. I wonder whether this is the position in which hon. members would want to place the Chair. It would be a very difficult position. Maybe we should give the matter some thought.
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> If this bill were not a bill which, as I understand it, is not a government bill—a bill on which there is a cross-section of views on both sides of the House—there might be a tendency on the part of the Chair to take bolder action, refuse to accept the bill, and suggest that some of the amendments proposed should not be received. But in view of the character of the bill, in view of the nature of the discussion which has taken place, both in committee and in the House on second reading, I would very much hesitate to rule at this point that this bill should not be accepted, and that the many hours, days, and perhaps weeks of work spent by the committee in studying this matter, preparing amendments, and referring the bill to the House for third reading should be discounted. This is why at this point I would be prepared, on behalf of hon. members, to say that what we have before us is a bill with these amendments, and I will try to make my rulings on the motions now before us on the basis of the bill that we now have before us from the committee.

The hon. member for Winnipeg North Centre has pointed to motion No. 4 that is on the order paper in my name, and he argues that I have validated his case that the committee has in fact exceeded the royal recommendation. I do not know in fact whether the committee did exceed the royal recommendation. It is rather like the amendments that the hon. member and his colleagues have put down to amend this bill. He is not quite sure how Your Honour will rule, so he has put down amendments which would be operative if in fact Your Honour rules that we can proceed. That was the point of motion No. 4 that I put down, that one ought to proceed with an abundance of caution. It was on that basis I put forward my amendments and the accompanying royal recommendation.

● (1610)

I would point out that this amendment does more than change the order of the clauses. It introduces an amendment of very substantial importance, namely, the indexing of salaries and allowances of officials of this House, ministers, and so on. It would be quite in order, I submit, for Your Honour to permit the House to proceed with the amendments that are now before you. Accepting the case put forward by the hon. member for Winnipeg North Centre, if the bill as it emerges after these amendments is found to exceed the royal recommendation, then Your Honour would be in a position to say that we cannot proceed with the bill. That is not now the position, Mr. Speaker. In my submission we should proceed with the amendments and then Your Honour can consider whether the bill is in order. That cannot be decided at this juncture but only after we have dealt with the amendments.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I want to compliment the hon. member for Winnipeg North Centre (Mr. Knowles) on the brilliant and eloquent argument that he has put before this House. I am sure Your Honour has given it great credence. I am deeply sorry I am unable to accept the validity of his argument. He and I have fought many valiant battles together and we will probably fight some on the same side in the future. In this case, however, I am unable to follow him.

I am reinforced in my attitude toward the hon. member's position because of the way he conducted his case. The hon. member started off by telling the House he did not think he had to argue at any great length the question as to the fact the committee had exceeded its authority because the President of the Privy Council (Mr. Sharp), by bringing in the amendments in his name which appear on the order paper, has virtually admitted that. Having made that statement, the hon. member for Winnipeg North Centre proceeded to devote a large part of his case to demolishing the validity of what the committee had done. After saying he did not need to do that, he spent a great deal of time on the issue. There is an old legal phrase which Your Honour may remember: when you are weak on the law, you raise hell about the facts.

Some hon. Members: Hear, hear!

Mr. Baldwin: That is what the hon. member for Winnipeg North Centre did. Realizing that he did not have a very good case on the law, he really rode into the facts about what the committee had done. Maybe it was a Freudian slip, but in asking that things be done to rectify the situation he appealed for a ruling of the House. I hope Your Honour will accept the position we will take, and that it will be left to the House to come to a decision on these matters later.

Let me get to the facts. First, there is a rule—if there isn't one, there should be—that those who live by the rule book should perish by it.

Some hon. Members: Hear, hear!

Mr. Baldwin: I am sorry if I am a little slow: I am unaccustomed to getting applause from both sides of the House. The hon. member for Winnipeg North Centre should have taken the position he has today last Friday when the report was received. It would be my submission, if I were going to rely purely on the technical aspects of this important issue, that once the report of the committee has been received, the House is seized of jurisdiction. What is now left to decide in due course is whether the House should divide on the motion to concur in the report—which, of course, is something we come to after we dispose of the amendments.

I also bring to Your Honour's attention and the attention of the House that there is another very interesting legal phrase, namely, that you could turn to on the question of the jurisdiction. The hon. member for Winnipeg North Centre—he made a special plea in this regard by putting down his amendments and in then referring to wording in the reprinted bill which is before the House—obviously attorned turned to the jurisdiction and accepted the fact that this report is properly before the House. However, I have other, more valid arguments to rely on than this.

Mr. Knowles (Winnipeg North Centre): I hope so.

Mr. Baldwin: We, in this party, prefer to do more than play around with technicalities: we like to go to the substance. I suggest there is a very stringent rule, unless the Chair is satisfied there are clear and major defects, that there is a presumption that the Chair should come down on the side of regularity. I have argued the same thing before on the question of amendments; this is not the first time I have put it forward.

The Chair has to have a discretion; that discretion should, as far as possible without doing violence to the rules of this House, come down on the side of allowing amendments to be put, debates to take place and members of this House to divide on issues in respect of which questions need to be put and decisions made. I suggest that is a valid point Your Honour should bear in mind should you approach this very difficult and novel—almost completely new—issue with some doubt in your mind. I ask Your Honour to exercise that principle, to come down on the side of regularity and permit the House to come to a decision. This is a salutary rule which should be observed more and more now that appeals from rulings of the Speaker have been abolished. I never objected to that. However, that being the case, there is an onus upon the Chair, where there is doubt, to come down on the side of regularity.

[Mr. Sharp.]

I was going to refer to the citation referred to by the President of the Privy Council—the ruling of Mr. Speaker Lamoureux on July 20, 1973, on the Criminal Code capital punishment bill. I would only add to the passage quoted by the President of the Privy Council these words of Mr. Speaker Lamoureux:

If this bill were not a bill which, as I understand it, is not a government bill—a bill on which there is a cross-section of views on both sides of the House—

I believe that was, in fact, a government bill but Mr. Speaker Lamoureux had in mind what is known as a free vote, with greater freedom than normally permitted.

Your Honour can take judicial note of the fact that when this bill was up for debate and the question was put on second reading, there was a division of opinion on both sides of the House. That requirement of Mr. Speaker Lamoureux has been met by the actual facts of this particular case.

● (1620)

Mr. Knowles (Winnipeg North Centre): The hon. member's arguments are getting weaker as he goes along.

Mr. Baldwin: My arguments would be stronger if the hon. member for Winnipeg North Centre had given me something to aim at.

I wish to point out, also, that we are in a different position from some of the situations referred to by the hon. member for Winnipeg North Centre. Before we adopted the report procedure, if there were amendments brought about in committee of the whole which exceeded the royal recommendation, and if by some chance they slipped past the vigilance of the Chair or of the officers at the table—something which does not happen very often but it happens occasionally—then the proper course to take during third reading was to refer the bill back to committee. I suggest, though, that a different situation prevails today because when the rules were changed and the report stage was introduced, a particular Standing Order was established, Standing Order 75, which states in paragraph (6):

When the recommendation of the Governor General is required in relation to any amendment to be proposed at the report stage of a bill, at least 24 hours written notice shall be given of the said recommendation and proposed amendment.

I suggest that when the House adopted the rule changes which put Standing Order 75 into effect, we had in mind a situation of this kind where at the report stage it might be essential for amendments to be discussed, either because of what had gone on in committee or because the government had concluded that because of what was said in the committee it was essential to bring about suitable changes at the report stage. Only the government can do this, of course, because only the government can bring down a recommendation from the Governor General.

It was this situation, or variations of it, which must have been contemplated at the time Standing Order 75 was brought into existence. Let us assume, for the purpose of argument—and I might find it difficult to argue to the contrary—that the committee exceeded its instructions. Let us assume that it did, and there was a failure to appeal to the Chairman as to the validity of any amendments which were offered. A report was presented to the House and was to be considered. In those conditions, I would suggest there is no better way in which to make use of Standing Order 75(6) than to bring back into the House, through a person authorized to do so, the amendment or amendments with suitable royal recommendations which would give effect to the conclusions of the committee.

It is possible, as was suggested, that the committee could have contented itself by passing the bill in its existing form and merely making recommendations as to changes. In light of a number of decisions by the Chair in the past, I think it is doubtful how far a committee could go along these lines. But surely there is no better evidence of the intentions of a committee than the amendments it proposes and embodies in a report to the House, even though its procedure might not have been proper. I therefore suggest, Mr. Speaker, that you should rely strongly upon the authority given in Standing Order 75(6).

Finally, I would say this: in our parliamentary system, a committee is a subordinate and junior section of the House. It has functions to perform as laid down in our Standing Orders. With respect to the consideration of legislation, a committee acts as a forum in which bills are considered clause by clause and before which witnesses are called when considered necessary; amendments are discussed and there is full opportunity to evaluate all the situations and conditions surrounding a particular piece of legislation. However, a committee remains perpetually subordinate to the House, and if a committee exceeds its authority the House always has the right to purge any defects or improprieties.

With all due respect to the argument advanced by the hon. member for Winnipeg North Centre, it would be monstrous if we could not make use of Standing Order 75(6) in order to reform a bill, with the proper royal recommendation, so as to correspond with the views of a committee but, rather, were obliged to send the bill back to the committee for the appropriate recommendation to be brought in by the government if it saw fit to do so. It would be the height of folly for the House to adopt the circuitous and unnecessary procedure which has been suggested.

If Standing Order 75 were not applicable, if we were faced with dealing with this matter in committee of the whole, it might well be that the proper motion would be one referring the bill back to committee with instructions to reform it in accordance with the royal recommendation. However, we have now permitted the intervention of a report stage at which there is an opportunity to change or correct what was done incorrectly in a committee—assuming anything had been done incorrectly.

I make this argument without in any way indicating the position to be taken by my party with regard to the various amendments which have been placed on the order paper by private members or on behalf of the government. We reserve the right to debate these matters and, possibly, to divide on them from time to time supposing the House finds itself in the position where it can engage in debate and divide on the issues. I strongly urge the Chair not to permit the House to be placed in the ridiculous position of having to take a circuitous route in order to do something

which it has the power to do now under our Standing Orders.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have two points to make. The first has to do with the quotation which was read by the President of the Privy Council (Mr. Sharp) from the ruling made by Mr. Speaker Lamoureux as reported in the *Journals* for July 20, 1973, at pages 499 and 500. Mr. Speaker Lamoureux made it clear that he was giving a ruling in an exceptional case. He said:

> If this bill were not a bill . . . on which there is a cross-section of views on both sides of the House, there might be a tendency on the part of the Chair to take bolder action, refuse to accept the bill and suggest that some of the amendments proposed should not be received.

I do not want to go over the history of Bill C-44, but it was clear when the bill was first debated that it would be substantially amended in committee. This was understood by everybody in the House of Commons, although that understanding did not extend to the press gallery or to the editors of newspapers throughout the country. However, we understood it and I think most hon. members understood it. In other words, everybody knew at the beginning of the procedure that the bill would be substantially amended.

● (1630)

When we concluded second reading debate it was also understood that a great many details of the bill would be left for the committee to decide. There had not been complete agreement between the leadership on the government side and that on the opposition side, so it was known that it was an exceptional set of circumstances.

The first meeting of the standing committee took place on the evening of April 14. At that meeting the President of the Privy Council indicated the terms of the agreement that had been made between himself and the Leader of the Opposition (Mr. Stanfield), but left it to the members of the committee to decide the course the bill should take. This was done in discussion and following that amendments were moved and the bill was revised as it was.

I want to point out that in keeping with the judgment that Your Honour's predecessor made on July 20, 1973, this bill has clearly been an exception to the normal processes by which we handle legislation. It has been more of a parliamentary bill than a government bill and the committee has been acting almost unanimously, with one exception, in order to accomplish the ends that are set out. That is my first point regarding the exceptional nature of this particular set of circumstances.

My second point concerns whether this discussion is in order at this time. What is before the House at this time is not the bill itself but the amendments to the bill. The only time that we can discuss the bill during report stage proceedings is after we have disposed of any amendments. It seems to me that the logical time for the hon. member for Winnipeg North Centre to raise his point of order is after the House has considered the amendments that are now before it at this report stage. As I say, it is only at the conclusion of the report stage that you, Mr. Speaker, can say what kind of bill we have.

[Mr. Baldwin.]

I think we must admit that it is possible for committees to overstep occasionally in regard to what they can do under our procedure; the hon. member for Peace River (Mr. Baldwin) pointed this out. However, having overstepped, there is a remedy in the House in terms of amendments at report stage. It seems to me that the only time the hon. member can discuss whether or not the bill is in order is at the point in time when the amendments are disposed of and Mr. Speaker asks the question: Shall the bill as reported carry? Or: Shall the bill as amended carry? That is the point when Your Honour must decide whether or not the bill is defective. Now is not the time to argue that point, since what is before the House is amendment No. 1, standing in the name of the hon. member for Waterloo-Cambridge (Mr. Saltsman).

Mr. Speaker: Order, please. I am, of course, fascinated by the number of interesting procedural arguments that have been raised, not the least of which are those by two opponents of the proponent of this point of order, who put forward the suggestion that the hon. member is out of order by raising his objection now. One has said that he ought to have done it when the report first came in, and the other has said that he ought not to do it until we get to the motion for concurrence. So there are certainly a number of interesting arguments which have to be sorted out in my mind.

Indeed, those who have said that we have been giving this matter very careful consideration are absolutely right. It would not be possible for me to do justice to this important point by giving a decision now, because it is fundamental not only to the nature of the recommendation and to the nature of the power of hon. members to move amendments in committee, but also to the very basic nature of the report stage which interposes itself in between and in fact has a very serious effect on a number, indeed almost all, of the precedents which have been cited, since those precedents were referable to a time when the report stage did not exist in the form it does now. In any event, I do not want to delay or hold up unduly the progress of this bill, but I hope hon. members will think it reasonable that I try to return at eight o'clock this evening and deliver my ruling.

Is there a disposition to proceed with private members' hour? Would that embarrass the proponents of the motion, or could the time be used in some other way?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax-East Hants (Mr. McCleave)—Public Service—Inquiry whether prosecution of illegal strikers will extend to union officials; the hon.

member for New Westminster (Mr. Leggatt)—Administration of Justice—Possibility of amending section 613 of Criminal Code in view of decision in Morgentaler case—Possibility of pardon for Dr. Morgentaler; the hon. member for Provencher (Mr. Epp)—Abortion—Request for clarification of government policy.

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

Mr. McKinley: On a point of order, Mr. Speaker, I believe that the notice sent around concerning private members' hour today indicated that we would proceed with Bill C-217, standing in the name of the hon. member for Ottawa West (Mr. Francis).

Mr. Deputy Speaker: I am told the hon. member for Ottawa West (Mr. Francis) is on his way to the House. Is it agreed that the bills preceding this one on the order paper shall stand and retain their place?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Hon. members may wish to relax in the meantime, unless the parliamentary secretary has a point of interest to raise.

Mr. Reid: Yes, Mr. Speaker, I have. I might take the opportunity to indicate to hon. members who receive this list which emanates from my office that it is not an official list. It is the result of work done in my office. We take each member with a bill or motion that is ready to come up, we go through the list, and we ask each one if he or she will take the next spot available. We take them all in strict rotation in the order they stand on the order paper. We take no responsibility for this list, Mr. Speaker; it is merely circulated for the use of members. I want to emphasize that it is not an official list but is totally unofficial, and we have been producing it at the request of hon. members.

● (1640)

I might say that I have written to Mr. Speaker to suggest that the list be printed perhaps each week as an addendum to the Monday order paper, as an easy means of informing members what business is to come during private members' hour. I hope that suggestion will be seriously considered by the Chair.

Mr. McKinley: Mr. Speaker, I thank the parliamentary Secretary to the President of the Privy Council (Mr. Reid) for that explanation. I would also bring to the attention of the Chair and hon. member that private members' hour generally starts at five o'clock, and it is not yet five o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to confirm what the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) has said, namely, that we do these things by way of arrangement for general convenience, but that does not rule out the possibility of following the list as it is on the order paper.

When I got to my feet I was going to express the hope that we might at least do the report stage of Bill C-208, since there is no debate on it in any case, and that would bring it up to third reading. I see that the hon. member for Ottawa West (Mr. Francis) has come in in the meantime. Even so, I wonder if there would not be agreement to deal with Bill C-208 at the report stage. There are no amendments to it, so there is no debate. I would accept my hon. friend's suggestion that third reading stand over to another time. I think Your Honour will find that there is consent to do that. Perhaps the hon. member for Windsor-Walkerville (Mr. MacGuigan) will move the motion, and I would second it.

Mr. Deputy Speaker: Order, please. As far as the Chair is concerned, there is no objection; but if I heard correctly, the House had already agreed to proceed with Bill C-217 in the name of the hon. member for Ottawa West (Mr. Francis). That hon. member has arrived. There has been no indication, other than the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) and the nod by the hon. member for Windsor-Walkerville (Mr. MacGuigan), to indicate that there has been general agreement to proceed will Bill C-208. Is there agreement in respect of the suggestion by the hon. member for Winnipeg North Centre that we immediately proceed with the consideration of report stage of Bill C-208 and then proceed to the consideration of Bill C-217?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Before I put the motion on the report stage of Bill C-208 I give notice that private members' hour will end at a quarter to six, which will give a full hour for debate.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

HOLIDAYS ACT

ESTABLISHMENT OF NATIONAL HERITAGE DAY

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour) moved that Bill C-208, respecting Heritage Day (title amended to read an Act respecting National Heritage Day), as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): Next sitting of the House.

Gasoline Labelling

NATIONAL TRADE MARK AND TRUE LABELLING ACT

AMENDMENT TO REQUIRE OCTANE RATING OF GASOLINE TO BE DISPLAYED AT PLACES OF SALE

Mr. Lloyd Francis (Ottawa West) moved that Bill C-217, to amend the National Trade Mark and True Labelling Act (octane rating of gasoline), be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the bill that stands in my name today was presented at a previous parliament, debated at some length and suffered the usual fate, in some respects, of private members' bills. On that occasion, however, the hon. members who spoke at length until six o'clock were in the opposition benches, and I should simply like to bring to their attention that it was not members on this side of the House who prolonged the debate.

The purpose of my bill is very straightforward: it would provide that the consumer, the purchaser of gasoline would have the right to know what he or she was buying when purchasing gasoline to put into a private automobile or for any other purpose. At the present time a number of companies simply display the indication of high test or low test without giving an indication to the purchaser as to the octane rating. My bill would provide that a technical scale be developed by the Department of Consumer and Corporate Affairs and according to this scale there would be the requirement on every vendor to exhibit conspicuously, in a public place, the octane rating.

I have observed on a number of occasions that there is a great variation in the quality of gas that is rated as high test. Since the time of introducing my bill there have been two developments which may have influenced the enthusiasm in certain quarters for this principle. The first is the recognition by a number of vendors that it is only fair and proper that the consumer be given a choice, and in many cases when the purchaser goes into the gas station to purchase a tank of gas he will see exactly what the octane rating is and a number of blends are offered. I think this is highly commendable.

The second development, and a more recent one since the energy crisis, is the emphasis on more and more lower octane ratings; many of the new engines in cars that are sold today do not require premium gas. It may well be that fuels sold in the near future will require a very minimum octane rating, particularly if it is possible to use unleaded gasoline. This may indeed mean that at some point in the future the purpose of my bill will no longer be required. As long as there are cars on the road that require higher octane gasoline, and as long as there are vendors who have two grades or more which they simply describe in general terms, without giving any technical description of the rating of the product they are selling, I think there is the simple and basic requirement that my bill is designed to meet. The consumer has the right to know what he or she is buying, and the right to know the kind of gasoline they are getting when they spend their money.

I hope this bill will commend itself to hon. members of the House. I see fewer members opposite today than on the day in 1970 when I first presented this bill, and I am hopeful that it will pass.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I understand and sympathize a great deal with the intent put forward by the hon. member for Ottawa West (Mr. Francis) in Bill C-217. However, as the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs, I must say I have some reservations in connection with it.

One thing I think we always have to be concerned about is whether the action we would take in our department in fact would be productive in terms of benefit to the consumer, or whether we would in fact be placing a burden on the manufacturers and producers and, indeed, the government itself that would not be worth the cost involved and perhaps could even impose burdens on those in the industry which would have to be passed on to the consumer in terms of higher prices.

We all know that the principle of disclosure to the consumer is a very important principle, and all the information we can give the consumer is very valuable provided, of course, we do not—as I pointed out a moment ago—impose burdens through disclosure that really is tokenism and does not serve the consumer's interests in the long run.

In connection, specifically, with additional information on the quality of gasoline purchased, particularly with the increased interest in petroleum products over the last year in terms of cost, we have to be extremely careful. Recent legislation by some of the provinces is aimed at making mandatory the disclosure of information to help the consumer make rational decisions in the marketplace. We intend to continue in that direction.

● (1650)

The proposal of the hon. member for Ottawa West that octane ratings be disclosed in accordance with standards to be prescribed by the Department of Consumer and Corporate Affairs is a very complex one, requiring very careful analysis to confirm that the information would be meaningful, that the costs of setting standards and monitoring observances would be reasonable and that the legislative jurisdiction lies with the federal level of government. Some provinces have related gasoline tax legislation, although the only two which have experimented with requiring the disclosure of octane ratings, New Brunswick and Quebec, have now dropped that particular requirement. Only Nova Scotia has a disclosure requirement at the moment. Rather than using octane rating as proposed in this bill, that province calls for the display of the grade of the gasoline on the pump, in three categories—premium, regular, and unleaded.

Federal-provincial responsibility concerning gasoline regulations remains unclear. A positive determination of these responsibilities should first be made before proceeding with this kind of bill as a federal statute. To permit consumers to utilize octane rating as a basis of comparison between brands, and so on, automobile manufacturers would need to specify the precise rating or range of octane ratings suitable for the optimum operation of each motor vehicle. Currently, most manufacturers indicate the brand categories of premium, regular, and non-leaded. While precise octane numbers could be useful to some degree,

such specifications would necessarily apply to only new engines.

Unfortunately, such factors as accumulated mileage, altitude, general operating conditions, and so on, can modify octane requirements in a given engine substantially, thus rendering original specifications of little use. Should octane declarations be required, a laboratory analysis program of gasoline samples would be necessary to determine compliance levels and provide the basis of enforcement action. We are advised that there are presently two government agencies in Canada involved in routine octane testing of gasoline, the quality engineering test establishment of the Department of National Defence and the Research Council of Alberta. Those are the only two which have this capacity.

Consequently, unless sampling programs are very restricted or private, or petroleum industry laboratory facilities are enlisted, government-sponsored analytical capabilities appear to be very seriously limited. This argument is meaningful, but it would not be if the cost benefit to the consumer were not worth while. I think the fundamental point is whether, in fact, the benefits would be worth the effort involved and would be beneficial to the individual consumer. Our investigations suggest that the approximate cost of laboratory octane analysis on a per sample basis would be in the range of $70 and requires, apart from preliminary time required for preparation of test equipment involving special internal combustion engines, about one man-hour per sample. It is apparent that the cost of an extensive compliance testing program involving some 19,000 retail gasoline outlets in Canada would be very high. Even the testing of only 10,000 samples on an annual basis would run in excess of $700,000.

In Canada, the Research Council of Alberta co-ordinates the operation of what is known as the Canadian Co-operative Fuel Exchange. This 35-member exchange is comprised of oil refining companies and provincial and federal research agencies. Each month, a different oil company circulates two samples of its production, normally a motor fuel and some other fuel product, to each of the other 34-member agencies for analysis. In the case of gasoline, octane rating and a number of other, qualitative tests are carried out. Results are reported and circulated to all members to serve as a means of industry-operated quality control.

Due to lack of knowledge on the part of the average consumer concerning the basic meaning of octane number, declaration of these numbers at retail outlets would appear to be of limited benefit to consumers without an extensive educational or explanatory program. The cost to all oil companies of providing octane rating declarations at all retail outlets may well be passed on to consumers in the form of increased gasoline prices.

We have not received any real indication of consumer desire for more information concerning gasoline quality, nor have we received any complaints which would serve to suggest that there may be a need for consumer protection in this area. In view of the current debate and continuing investigations respecting environmental pollution problems, and the ongoing modifications by automotive manufacturers to the automobile engine, it is questioned whether federal regulations should be imposed at this time to require a declaration which may be subject to considerable change in the near future.

In the United States, the American Society for the Testing of Materials has recently established a system which employs the numbers one through six declared on gasoline pumps to denote the different grades of gasoline offered for retail sale. The grades are based on the minimum octane rating specifications which have been established in the six categories as lowest grade, unleaded grade, standard grade—which is regular grade—intermediate grade, premium grade and super premium grade.

In accordance with this system now used by several states, the owner's manual for some United States models of 1975 cars now specifies the correct grade number or numbers to be used in each vehicle. The co-ordinating research council in the United States, sponsored jointly by the American Petroleum Institute and the Society of Automotive Engineers, conducts a comprehensive series of tests and user surveys on each year's new car models under a wide range of operating conditions across the United States to determine actual gasoline octane requirements. Information gathered indicates which rating levels are preferred by users for the various types of vehicle and operating conditions and the relative volumes sold.

The data is then made available to oil companies to permit them to produce the ratings and volumes necessary to effectively meet market demands. On balance, because of the degree of self-regulation existing within the industry, and because of the likely costs of monitoring any mandatory disclosure requirements, it would be preferable not to proceed with Bill C-217 without a very thorough examination of the need for such legislation in light of other priorities in the consumer protection field.

I wish to say, Madam Speaker, that in the Department of Consumer and Corporate Affairs we do not look lightly at this bill and its proposal. We believe that anything that can be done to provide more information to consumers at a cost which they can afford and which will not increase the basic cost of the commodity itself is very worth while. At the same time, however, we must recognize a very simple principle. I think it could be best enunciated by quoting G. K. Chesterton, who one time said that every vice is a virtue gone mad. What he meant by that was that it is quite all right to have a good, valid program or plan; but if you apply it without discrimination and draw it through to its appropriate conclusion, you will end up with something that is counter-productive. In this case, that is very apropos to our particular department.

● (1700)

For example, you see concern expressed by consumers, and even by members of the House about some regulations, for instance, in connection with car seats, saying that we should provide more protection for babies in cars. However, we must watch that we do not end up with such high standards for that kind of thing that the cost of a child's car seat will be $100, or even more, in order to provide the kind of protection that we would all like our children to have. We would then find out that we had a perfectly safe car seat but that no one, or very few people, could afford to buy it.

We must always have a trade-off; we must look at the consumer interest in the light of reality. In this particular case we feel that there are other areas of activity that are of greater priority to consumers than the one with which we are dealing tonight. So I suggest that although the bill is founded on a perfectly valid observation and a real genuine concern for adequate disclosure to consumers, there is insufficient information available to our department to indicate that it is of such a great priority that it should be put ahead of other things. It must be pointed out that there is a considerable dearth of real information and research on the subject, and there is also a considerable question as to the constitutional jurisdiction in respect of this type of regulation.

Mr. A. C. Abbott (Mississauga): Madam Speaker, I rise on Bill C-217 presented by the hon. member for Ottawa West (Mr. Francis), recognizing, as did the hon. member for Ontario (Mr. Cafik), that the bill is inspired by the highest possible motive to protect motorists from exploitation by gasoline companies which are misleading their customers, or by automobile gasoline dealers who are not living up to the standards laid down by the gasoline companies.

Unlike the hon. member for Ontario I am not an expert on the subject of octane content and I was struck, as was everyone, by the hon. member's remarkable grasp of the problems, and the way he illustrated to us in such fulsome detail the number of dealers and the cost for analysing each and every sample of gasoline. It was a remarkable performance. His ability to link the question of the octane of fuel with quotations from G. K. Chesterton was indeed to be admired. It was a high octane performance.

However, we must be struck by the fact that, desirable as certain protective devices may be, the price we pay exceeds the protection afforded. I notice that the hon. member for Ottawa West derived great comfort and assurance as he motored through New Brunswick in 1970, savouring each opportunity when he filled his car with gasoline from seeing the information as to the octane content of the gas legibly displayed. Nonetheless, I am advised, partly by the hon. member for Ontario who supplied me with some information from his enormous sources, that in 1966 the requirement in New Brunswick for declaring the octane rating was deleted. The only assumption then is that the gasoline dealers in New Brunswick who ignored the fact that the requirement of the law was no longer in effect continued to provide visitors, such as the hon. member for Ottawa West, with the information which he so greatly desired.

The important thing in considering this measure is not simply the cost ultimately to be borne by the consumer but the value of such information. Recently we have had a tremendous variety of government regulations and requirements for industry and business to provide the consumer with better information. This in itself is a desirable thing, but I would like to cite an example which is perhaps analogous to the suggestion made today by the hon. member, namely, that the Textile Labelling Act, which is an act of the Department of Consumer and Corporate Affairs, required that every garment made in Canada should carry a description of its fibre content—what percentage of cotton, polyester, or other fibre it contains, in both official languages. On the face of it this is a very necessary piece of information, but the fact remains that for the average Canadian purchaser this sort of information is almost worthless without information being provided on how the garment should be cleaned or laundered in order for the best use to be made of the particular fabric, particularly for reasons of durability.

The departmental officials decided, in their great wisdom, to lift almost the whole requirement from U.S. regulations, except that they made a single amendment. They pointed out that rather than simply having the vendor of textile fabrics provide a description of the fibres contained in a particular garment, the requirement would be that the garment survive ten washings, which meant that a permanent label had to be attached to it with what, to the average consumer, was almost irrelevant information, whereas the department failed to provide consumers with care labelling, which is what they really need.

I hope, Madam Speaker, you will not think I wandered too far from the subject but I will return to the matter before us when I suggest that the same problem exists in requiring an octane rating to be displayed on the gasoline pump. The average motorist does not know the first thing about octane and he has no desire to know what it means. I think that almost certainly he would prefer the kind of standard set out in the United States, that is, octane rating specifications which simply describe a list of grades which he can select and which are recommended in the manual appropriate to his particular car. This is a far better method because of the technical problems that occur in making a simple declaration as to the octane rating, particularly when you consider that a certain car may be eight years old and have 150,000 miles on it, and it serves no purpose whatever for the owner of the car to expect the same performance from that car when he fills it with a certain high octane gasoline as he would from another car.

Mr. Lloyd Francis (Ottawa West): May I ask the hon. member a question?

The Acting Speaker (Mrs. Morin): Would the hon. member for Mississauga (Mr. Abbott) permit a question?

Mr. Abbott: Yes, Madam Speaker.

Mr. Francis: The hon. member just said that this is of no value to the consumer. Is it not conceivable that the owner of a car might not be able to observe the performance of that car with variations in altitude or in temperature, and purchase an appropriate octane rating of gasoline? Is this not quite a reasonable thing for owners of cars to do?

Mr. Abbott: Madam Speaker, I think that what the hon. member is asking is that the information be displayed by a gasoline company, whether it be in numbers, which are incomprehensible, or in words with which the motorist can identify. I suggest that this information in numbers is obscure and that it should be stated in words that this is premium gasoline, gasoline of second grade, or whatever, so that the motorist knows what he is buying. If a No. 3 gas is provided to him when he thought he was buying a No. 1 premium grade, he can then utilize the misleading advertising provisions in the present Combines Investigation Act.

• (1710)

An hon. member handed me a note asking if I could relate the problems disclosed by this bill and the points I have raised about textile labelling to his concern about the purity of peanut butter. I see that the hon. member has left the chamber for some important business, so I will not comment on what may have been a frivolous suggestion.

Mr. Knowles (Winnipeg North Centre): He has probably gone for a sandwich.

Mr. Abbott: Perhaps he has gone for a sandwich. It would certainly be unfair and inappropriate for me to cast away lightly the serious measure being recommended. I am not endeavouring simply to talk this matter out. Like many well-intended measures which have already become law, in some cases I suggest that as consumers we pay a very high price for very little protection, and I think this is an outstanding example of that kind of inappropriate legislation.

Mr. Alan Martin (Scarborough West): Madam Speaker, in joining this debate I notice that almost the same bill was debated in the twenty-eighth parliament, some four and a half years ago. From reviewing the debates at that time it seems to me that there was a good deal of sympathy for the concept advanced by the hon. member for Ottawa West (Mr. Francis), that of ensuring that consumers will not be misled at any time by marketing devices.

I would be most anxious to support this bill and see it through the House if I felt for one moment that the consuming public, by the absence of this kind of legislation, would be subject to misleading information which could in fact cost more money by virtue of damaging automobiles, but I do not really think that is the case. I do not think people are being misled because a certain octane number does not appear on gasoline pumps. I am more concerned when I go to a service station wishing to have repair work done on my car, and there is no indication as to the quality of the mechanical work which one can expect from that particular place. I think that this reality is even more serious.

There has been a good deal of literature in the newspapers in recent months and years in connection with so-called rip-offs which take place in various garages and service enterprises dealing with repairs to automobiles. It concerns me that there is no protection for the consumer—such as that which the hon. member is seeking in the area of gasoline, which I do not think is warranted—who drives into one of these repair locations and has no reasonable assurance, in either his own personal experience or by word of mouth, that the kind of repair work he can anticipate for his dollar will be fair and reasonable.

In the case of gasoline it seems to me that the average consumer looks upon the matter very much as one who goes into a new municipality and has his first glass of water. I think it is assumed that the standard of the water in that municipality is a standard satisfactory to the consuming public, and that the standard set by that particular municipality, area or county is up to the standard one might anticipate in other parts of the country. One would not expect to see something written on the tap. One would not expect in a restaurant to have something written on his glass to the effect that the quality of the water was indeed one up to normal, acceptable standards. I think that this is what we have been led to believe in terms of obtaining gas from the average retail outlet.

I sympathize with the hon. member for Ottawa West, and I would be concerned if this could be proven to be the case. If there were a risk of having gasoline put into our cars which would be injurious to motors, then we would have a problem requiring legislation. However, I do not think that this case has been made, and I do not think the hon. member for Ottawa West attempts to make this case.

There is an interesting aspect, however, to which I would like to refer. For many years as an automobile driver I had a real fear of going to retail outlets which were not outlets of the major oil companies. My fear was that the gasoline from one of these outlets would be inferior to gasoline from major oil company outlets. I carried on with this assumption until a neighbour of mine, who happened to be a proprietor of one of these outlets, when I put these concerns to him, said that my fears were shared by a great many automobile drivers, but that they were completely invalid. He proceeded to explain the reason for this. The reason was that he was obtaining his gasoline from exactly the same warehouses as other retail outlets were obtaining their supplies.

Simply because he owned his own trucks and did his own hauling, he was able to obtain his gasoline at a cheaper price and could offer it to the public at a cut rate, which in some cases was as much as ten cents less than the rate charged by the major retail outlets. I have driven some 150,000 miles since that time, and I use those cheaper stations whenever I can in order to save myself that amount of money.

The question is whether the the consuming public has this fear. I think it is an interesting case of protection in reverse. It is a case where, either intentionally or unintentionally, the public has been forewarned through advertising that, in effect, they are not safe unless they go to one of the outlets operated by one of the major oil companies. This is an invalid concern which I do not like the public to have, because the price is cheaper elsewhere. In the case at hand I feel that unless we notice or are advised that gasoline is being sold at retail outlets which is of inferior quality, and when it is marked regular, premium or no lead, does not meet the standard indicated, it seems to me that bringing in special legislation to enforce costly measurements of octane ratings, stampings on pumps and inspections by provincial and federal governments, would be an unwarranted cost which at this time would do no particular service to the consuming public.

There are probably other aspects of this bill to be discussed. If the hon. member for Ottawa West were convinced that there was no possibility of receiving an inferior product which could damage an automobile, I wonder whether he might not be content to let things stand as they are now.

• (1720)

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, the weight of the attack being levelled against my hon. friend by his friends, the hon. member for Ontario (Mr. Cafik), the hon. member for Mississauga

(Mr. Abbott) and the hon. member for Scarborough West (Mr. Martin), makes me think that he may have something.

The argument that the bill does not go far enough, that there are other ways in which consumers must also be protected, is surely not an argument against taking this step. It seems to me that the least this House should do is to let this bill go to committee where all the points that have been raised today could be examined very carefully. I urge that the Liberal side not talk out this bill sponsored by a Liberal member.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, I am pleased to make my contribution to the debate which raises a problem that concerns all members of this House even if since the beginning of the debate, government members have been much more eloquent than members opposite.

The first point which I want to make, Madam Speaker, is that the interventions of this government in the publicity field and in the disclosure of information for the benefit of consumers have altered during the past few years. Indeed, if I am not mistaken, the measures more widely discussed among the public have been those meant to include labels and pertinent information in both official languages. It will be remembered that lengthy and acrimonious debates were then held to determine the importance which should be given to the second language when products were sold in a region rather than another.

In spite of everything, the government was convinced that such information was necessary, and the act and regulations which were passed to force producers into labelling their goods in both official languages have proved beneficial for Canada as a whole.

Madam Speaker, there are several kinds of publicity, just as there are several ways of giving the consumer information that is both useful and necessary in his decision to purchase a product. There is obviously what is known as misleading advertising. Such advertising, Madam Speaker, is intended essentially to warp the judgment the consumer must make on an article before he purchases it. There is no need to give any example of those practices. I believe the Restrictive Trade Practices Commission takes legal action every day, that every day it calls producers before it to state clearly what their objectives are with regard to the advertising for this or that product. Madam Speaker, no party in this House, I am sure, would prevent the government from regulating and forbidding that kind of publicity. That is not the purpose of the bill introduced today by the hon. member for Ottawa West (Mr. Francis).

But there is another kind of publicity, Madam Speaker, which is called dangerous, in that it incites the consumer to buy a product whose use can be dangerous if it is not subject to rules or strict standards. One example that comes to everyone's mind and is most recent in that field is the publicity surrounding tobacco products and specially cigarettes. It has led producers and tobacco producers and distributors to include in their publicity a notice urging consumers to consider the fact that its dangers increase with usage. That publicity is therefore said to be dangerous.

There is another kind of publicity, Madam Speaker, the effects of which have been and continue to be of concern to this House, and that is excessive publicity. That publicity is in itself dangerous. However the message or the information repeated eventually conditions the consumer and makes him believe that if he does not purchase the particular item or does not use it in sufficient quantities, his comfort or well-being will be reduced.

I already mentioned during a meeting of the parliamentary Committee on Finance, Trade and Economic Affairs which is now considering Bill C-2, that such advertising should be restricted by that bill. I have in mind particularly the commercials for a provincial lottery which eventually lead the consumer or buyer of a ticket to believe that some day he will win. Of course, if you repeat the message all day long, the consumer will believe that after all if he does not buy a ticket he will never become a millionnaire or become wealthy in a jiffy. I believe in that respect Bill C-2 as it now stands should regulate that form of advertising which in my opinion has an unfortunate impact on a more and more frantic society which aims at consuming more and more new products everyday.

That is not the type of excessive advertising the hon. member from Ottawa West wants to draw our attention to. The kind of advertising he would like the House to legislate upon aims at providing consumers with necessary information so that he can make the best decisions when he buys gasoline. I believe, Madam Speaker, that the bill he wants us to pass adds a new dimension to the government's responsibilities with respect to advertising. In fact, it aims at having the government wonder if they should provide consumers with the information required for a wise decision, whatever the cost of displaying that information, or whatever the cost of providing consumers with that kind of information.

I believe, Madam Speaker, that we shall more and more have to wonder about the social role of advertising. Personally, when I am watching TV or listening to the radio, and I hear commercials for certain types of products, I can never be totally satisfied with the fact that, for instance, a banana retailer or any canned product retailer is allowed to advertise his products and that nobody at the same time wonders whether part of the money spent to promote sales of the particular item should not be used to inform consumers on the way he can dispose of waste resulting from the consumption of that product.

For example, if we allow canned food distributors to advertise, I do not see why, on the 60 or 30 or single minute of broadcasting this distributor is going to take, we would not require him to take 15 or 30 seconds to tell the consumer: Here is how you can dispose of the waste produced after consumption. This, Madam Speaker, is one of the aspects of advertising which will probably be the next stage we will have to reach if we really want to protect the consumer.

● (1730)

The information requested in the bill introduced by the hon. member for Ottawa West clearly involves outlandish costs to meet the objective. According to preliminary esti-

mates, laboratory testing of the various samplings would involve an expenditure of more than $700,000. I believe this amount would be better invested in social advertising which I submit is now lacking in the information available to consumers.

I believe this debate gives us an opportunity to move one step further in discharging the government's responsibility to legislate on consumer information. Clearly, by preventing merchandizers to give necessary information, one would in the final analysis be guilty by omission. The preventing or non-requiring of certain merchandizers to give information allows them to profit by the consumers' ignorance, by selling products that are not those really needed to drive and properly use motor vehicles.

Our obligation to force merchandizers to completely inform must not in my view affect the social impact of advertising, which we will have to consider during the coming month, if our overall policy on or comprehensive approach to consumer protection is to reach its goals.

It must be emphasized that during the last few years, the government also acted to restrict media advertising time. This had to be done, because it was realized that merchandizers could literally submerge the consumers under a flow of information that was not necessarily useful to properly choose a product.

We have also witnessed the discussion centering on children advertising. This is another aspect of the social impact of advertising I was mentioning. I feel it is of paramount importance at this stage. It is actually towards the consumers who are the less protected and the less able to defend themselves that we must direct our attention, especially when we discover that, were we to agree to what the hon. member for Ottawa West is proposing, we would have a piece of legislation which would involve spending considerable sums of money that might not have the immediate results expected.

Some other hon. members who spoke before me have stressed the complexity of implementation of such a measure. They mentioned, among other things, that it was not obvious that it was constitutional, or within the authority of the federal government. They also emphasized the fact that it would be difficult to administer this legislation.

I think, Madam Speaker, that the opportunity afforded to us by the hon. member for Ottawa West to consider the publicity, the information which must be made available to the consumers is a responsibility which has been amply debated in recent years. The government has taken positive action that has really urged the distributors to act bearing in mind that great objective involving consumer protection and I am sure there is not one member present here who does not partake of that objective which the hon. member for Ottawa West is striving for.

For that reason, Madam Speaker, I would invite the hon. member for Ottawa West to participate in the discussions of the Committee on Finance, Trade and Economic Affairs on Bill C-2 and particularly to read the briefs which have been presented and the evidence which has been brought by the 20 witnesses who appeared before the commission and who all discussed clause 36 of this bill, which contains, I think, the elements necessary to the solution of the problem he raised in his bill.

Gasoline Labelling

Mr. Marcel Lessard (Lac-Saint-Jean): Madam Speaker, the proposal which is now before us in connection with bill C-217, introduced by the hon. member for Ottawa West (Mr. Francis) springs of course from a good thought and a good intention, which is to better protect and inform the Canadian consumer, particularly as regards the gas he buys regularly.

However, I would like to make a comment. I have known my colleague from Ottawa West for many years, and having had the pleasure to sit with him in this House, I acknowledge him as an expert in parliamentary debate, especially during private members' hour.

During the many years we sat in this House we were witness to his many interventions and his participation during private members' hour.

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

The Acting Speaker (Mrs. Morin): The hon. member for Ottawa West.

Mr. Francis: Madam Speaker, I rise on a question of privilege. I did not take part in private members' hours during this Parliament, in spite of everything I did during previous Parliaments.

The Acting Speaker (Mrs. Morin): The hon. member for Lac-Saint-Jean.

Mr. Lessard: Madam Speaker, does my hon. colleague mean to say that somewhow he changed or became wiser? I am not sure at all that this is the case. It is probably true that he was not as present in those debates during this Parliament but, as he suggests himself, during previous Parliaments we were witness to his many interventions—and this is not a reproach, far from it, since it gave an opportunity to communicate to his colleagues and myself his wide knowledge in certain areas, as indeed he did again today. He is concerned about the consumer and he would like the protection that was previously given by gasoline retailers by indicating the octane rating—a current practice a few years ago that was abandoned in most, not to say all, provinces—to be reinstated so the consumer who parks his car near a gas station can get the quality of fuel he wants for his vehicle.

His idea may be good. It remains to be seen whether from a practical point of view that situation which existed previously really protected the consumer. Personally I would rather be inclined to ask myself if the question should not be examined from another angle. Instead of asking gas companies, dealers and distributors to indicate at their pump stations the octane rating of the gas sold and the various varieties offered to consuming customers in general, I wonder if we should not standardize gas. It seems that private enterprise in its constant search for new products or rather new clients tends to diversify the variety of its products in the hopes of meeting a non-requirement in several cases and create an appetite, a need, through advertising, through the sale of new products which advertising says are always the best offered on the market.

I am not at all convinced that all that variety of products, and in this case the various kinds of gas offered,

really have all the properties they want to sell us on. I have been driving a car for over 30 years and I used the various brands, varieties and components offered, and I must admit, Madam Speaker, that I did not see much difference. Of course, there is a difference between regular, yellow as it is commonly called, and red, or extra, but is there really the difference that is indicated? Does the difference that is indicated really exist in terms of the price differential?

Like most car drivers I made certain checks on my gas mileage when I filled up with extra at 6 cents, 8 cents, 9 cents and sometimes even 12 cents a gallon more than regular, yellow. Of course, I noticed I was getting better gas mileage with extra, but not in proportion to what I was paying. So, particularly with respect to engines used in automobiles, I say we should rather standardize the manufacturing of those engines, bearing in mind the fuel they must use.

● (1740)

All automobile and engine manufacturers should be required to provide engines which run for all practical purposes on the same type of gas. The result would be twofold. First of all, does it really matter whether it costs more to producers to build various types of engines or carburators, since it is much more the carburator than the engine which is involved in the choice of the proper grade of gas? Then, would it not be a saving or protection of some sort for the consumer if we forced manufacturers to build only one type of engine which would run on only one type of gas or fuel? Should we not compel gas producers to supply for automobile consumption only one sort of gas which would be the same?

The question I am asking therefore is this: Would not this gas be more economical if gas producers supplied only one type of gas with the same octane rating, whether super or regular, which would have only one name or grade? I believe that in this way, gas would be less expensive. The installations that refineries have to provide for these various grades would not be necessary and perhaps this could result in savings. I am not sure about this because I wonder if there really is a lot of difference between all these types of gasoline. I do not believe there is; the difference is much more significant in the publicity than in the real product.

On that point—and hon. members could recommend this to the government—we would have much more to gain in my opinion if products were standardized and varieties, names and attributes of products were restricted. We should aim at eliminating these things which only confuse the general consumer public. The poor consumer does not know what he buys and very few people know and distinguish among the various grades of gasoline. I do not want to suggest that we men are more knowledgeable than women in this field, but it is true that today more and more women are driving cars. They must fill their tanks.

Can the ladies really appreciate the differences among the various fuels that they are offered? They follow the advice of salesmen, of distributors, and buy what is recommended without seeing the difference. Nearly 30 per cent of the people who drive cars today are women. Is there not complete abuse of these people who are not familiar with the technology since there is already some abuse as concerns the 90 per cent of men who are not more familiar with this technology than women? On this point, I would be personally opposed to a concentration of our efforts in the fields suggested by the hon. member, and I would much prefer that the gasoline and motor manufacturers be required to standardize these things so that they all use the same fuel and that we no longer have to pay for these various fuels and the publicity required to extol the virtues of these products to the consumer. Very often, these virtues do not exist.

It is in that direction, I think, that we should make our efforts, Madam Speaker, and I would advise my colleague from Ottawa West to introduce some other legislation at the first opportunity so that he may work and devote his energy along that line. I thank him in anticipation.

[*English*]

Mr. Joseph-Philippe Guay (St. Boniface): Madam Speaker, I know that the bill before us is intended to ensure that consumers are getting their money's worth when they buy gasoline. I am sure this is in the mind of the hon. member for Ottawa West (Mr. Francis).

In this day and age everything is inspected. All food is inspected. In all areas there are provincial inspectors as well as federal inspectors. When we were discussing a similar matter in 1970 a former member of parliament from Calgary South said it was possible that the oil companies would be pleased to take up a suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles), by appearing before a committee of the House and answering any questions put to them by hon. members.

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

At 5.45 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES

On the order:

Consideration of report stage of Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, as reported (with amendments) from the Standing Committee on Miscellaneous Estimates.—The President of the Privy Council.

Mr. Speaker: Order, please. I indicated earlier this afternoon that because of some of the very serious procedural problems and deeply fundamental procedural questions which were raised in the very important argument that was put forward this afternoon I would try to give judgment at eight o'clock. I have given the matter the most careful consideration, study and review in the interval, and in fairness, because of the rather important and fundamental points involved, I cannot bring myself to decide the question at this time. I therefore ask whether the House might involve itself in the consideration of other matters this evening to give me an opportunity to examine the matter further during this evening and tomorrow morning, and I will give my judgment at three o'clock tomorrow afternoon.

* * *

OCEAN DUMPING CONTROL ACT

MEASURE TO PROVIDE FOR CONTROL OF DUMPING SUBSTANCES INTO THE OCEAN AND TO ESTABLISH A BOARD OF REVIEW

Hon. Mitchell Sharp (for the Minister of the Environment) moved that Bill C-37, to provide for the control of dumping of waste and other substances in the ocean, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it is my privilege this evening, on behalf of the Minister of the Environment (Mrs. Sauvé), to brief the House on Bill C-37. It is a measure to provide for the control of dumping of wastes and other substances in the ocean. This bill is not only important—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I make a suggestion regarding what we should dump in the ocean?

Mr. Marchand (Kamloops-Cariboo): I thought the hon. member wanted to make a deal and pass the bill without debate. Certainly I would be willing.

This bill is not only important in Canadian terms but as part of a wider international effort to preserve our environment. Traditionally Canada has been committed to the principle that in some of its most critical aspects the work of protecting the physical environment is world work—work that nations cannot do successfully unless they do it together.

This is not a matter of abstract idealism but an operating principle based on a recognition of things as they are. The biosphere is one. The oceans, regardless of the names we give them, or the lines drawn on maps are, physically speaking, one. So Canada has consistently taken the lead or participated energetically in promoting international co-operation to protect the environment.

Late in 1972 our representatives met with those of 90 other nations under UN auspices to sign an agreement to control ocean dumping. The convention which came out of that meeting—it is known as the London convention—is based on the following principles. First, that the sea and

the life it supports are vitally important to all the world's people. This being so, all of the world's people have a direct interest in making sure that the sea is managed and used in ways that will damage neither its quality nor its resources. Second, that the capacity of the sea to absorb punishment, to assimilate wastes without damage and to sustain life, is not unlimited. The sea is vital yet fragile. Third, the nations signing the convention also recognized, in keeping with the United Nations charter and the principles of international law, that nations have the sovereign right to exploit their own resources. At the same time they have the responsibility to ensure that things done within the areas that lie within their jurisdiction do not damage the environment of other nations.

The 91 nations involved agreed to take measures, individually and collectively, to prevent marine pollution caused by dumping. In signing the London convention, Canada signalled her commitment to the principles of the convention, and our intention to ratify it. The bill now before the House is the instrument needed to fulfil our obligations under the London convention.

Before going into more detail let me first outline the salient features of the London convention itself. The convention will, when ratified, prohibit the dumping of wastes in the oceans without specific permission granted by the national authority designated by the state concerned. As far as the convention is concerned, dumping means any deliberate disposal at sea of wastes or other matter from vessels, aircraft, platforms or other man-made structures at sea. The ocean is no longer to be a garbage dump; neither is it to be a junkyard. Dumping also means the disposal at sea of the vessels themselves, or aircraft, or platforms, and so on.

In the context of the convention and of this bill, dumping does not mean the kind of waste disposal at sea which comes about in the course of the normal operation of vessels, aircraft, platforms or other installations. Nor does it mean the disposal of wastes or other matter generated in the exploration, exploitation and offshore processing of seabed mineral resources.

I should remind the House that separate instruments have been developed and are available to deal with pollution of the oceans by oil and other polluting substances, such as garbage and sewage, from vessels. Nationally speaking, the Canada Shipping Act addresses this problem. So does an international convention signed in London in November, 1973. The more recent London convention will operate separately.

Finally, in summarizing the history of the London convention let me add that it was preceded by a regional agreement for the prevention of dumping signed by 12 northwest European nations. This document is known as the Oslo Convention and its focus is on protection of northeast Atlantic fisheries and contiguous waters.

The bill now before the House will give the government of Canada legislative authority to control and manage dumping by all vessels in Canadian waters. This latter term includes Arctic waters within the meaning of the Arctic Waters Pollution Prevention Act. It also embraces Canada's fishing zones. The bill will apply to dumping by Canadian ships wherever they may be located. It will also apply to foreign ships that come to Canadian ports and

load wastes with the intention of disposing of them at sea. Please note, Mr. Speaker, that the bill will make all types of dumping subject to permit. Anyone applying for a permit to dump will pay a prescribed fee.

In general the wastes we are dealing with, both in the bill now being considered and in the London Convention, fall into two classes. One class comprises wastes which are highly dangerous to the marine environment, wastes which we know will cause serious damage. Dumping of this kind of waste is prohibited. No permits will be granted except in very special circumstances. In this class, to name a few examples, you will find organohalogen compounds such as DDT, polychlorinated biphenyls, and others. Mercury and cadmium and their compounds are in this class. So are persistent plastics and other synthetics; for example, netting and ropes which may float indefinitely in the sea, causing obstruction. Oil of all kinds, crude, fuel, heavy diesel and lubricating are in this class and covered by the bill when taken on board for the purpose of dumping. So are high-level radioactive wastes or materials produced for biological and chemical warfare.

● (2010)

The second class is made up of substances which could be damaging under certain conditions; in certain areas, in certain concentrations and at specific times of the year—substances, in short, which, with the right precautions, may safely and legitimately be deposited in the sea. In these cases the permit issued will specify certain requirements such as the rate of dumping, the time it takes place, the location, and so on.

The bill lists both of these classes. The prohibited substances are in Schedule I. The restricted substances are in Schedule II. I should emphasize, Mr. Speaker, that even substances which are not included in these schedules will be covered. They may not be dumped without permit.

It is reasonable to expect that there will be extraordinary situations in which it may be necessary for substances to be dumped without prior permit, in crisis situations, for instance, to avert danger to human life at sea. The bill will require that when such emergency action is taken, a full report of all the circumstances must be made. Similarly the minister may grant an emergency permit to authorize dumping action necessary to avert danger to human health on land. In this case the dumping action will be reported to other states affected.

Schedule III of the bill spells out criteria, the factors which the people who grant permits must calculate in making their decisions. In this respect, as in others, the bill follows the pattern of the London Convention. The factors to be considered include: (1) The characteristics and composition of the substance to be dumped; (2) characteristics of the dumping site and the method of deposit; and (3) possible effects on the environment in all its aspects—effects on amenities, on marine life, on other uses of the sea. "Do we have to dump?" is a question that must be asked. The availability of other options must be considered such as alternative onshore methods of treatment, disposal or elimination.

The bill provides for penalties for the dumping of materials into the ocean without a permit. Offences will be assessed in accordance with the severity of the violation.

[Mr. Marchand (Kamloops-Cariboo).]

Offenders who contravene clauses 4, 5 or 6 of the bill are liable on summary conviction to the following fines: for offences involving substances not listed in Schedules I or II, up to $50,000; for offences involving substances in Schedule II, up to $75,000; for offences involving substances in Schedule I, up to $100,000.

Clause 7 of the bill deals with the disposal, or the junking of ships or aircraft in the sea. Anyone who contravenes this clause is liable on summary conviction to a fine not exceeding $75,000. Failure to report dumping is punishable, on summary conviction, by a fine not to exceed $25,000.

The bill also gives the government authority to detain, seize or force forfeiture of ships and aircraft, and to demand redress of environmental damage by pollutors.

Environment Canada will administer this bill. This, Mr. Speaker, is a logical arrangement since this department's current activities already include such environmental protection functions as surveillance, monitoring, marine scientific research and vessel inspection. The Ministry of Transport will also be involved. So will the Royal Canadian Mounted Police, the Department of National Defence, the Department of Indian and Northern Affairs, and other federal and provincial organizations.

The governor in council is empowered to make regulations needed to carry out the provisions of the convention and of the bill. The bill is binding on Her Majesty in right of Canada or a province.

Before I close, Mr. Speaker, I should point out to hon. members that the London Convention will come into force automatically once it has been ratified by 15 nations. As of now, a number of countries have already done so. The 12 nations which signed the Oslo Convention mentioned earlier are in a position to ratify at short notice whenever they desire. What this means is that the 15 necessary ratifications may be imminent. At that point, with the convention in effect, the immediate next step will be to call an organizational meeting of all nations involved. This will be a conference which will significantly shape the future development of the convention and it is important that Canada be there. It is a matter of urgent business that we have the implementing legislation in place and that we be in a position to ratify the London Convention as soon as possible. When we have done this we can be sure of participation in these arrangements and, sure also that Canada's special coastal state interests are represented.

I urge the House, Mr. Speaker, to give swift consideration to this bill. Although ocean dumping is not a major Canadian problem, not a major feature of Canadian maritime activity, our waters are as vulnerable as anyone else's. We must act to shield the great Canadian fisheries and our coastal recreational areas. Beyond that we must move to protect the ocean at large, the sea which belongs to us all, the common heritage of mankind.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wonder if the parliamentary secretary who has just made a very interesting speech on a subject in which we are deeply interested would answer a question in order to help us in connection with the future conduct of this debate.

I am concerned about Clause 2(2), the definition of the sea. The parliamentary secretary will have noticed that

the sea is defined as the territorial sea of Canada; the internal waters of Canada other than inland waters; any fishing zones prescribed pursuant to the Territorial Sea and Fishing Zones Act; the Arctic waters within the meaning of the Arctic Waters Pollution Prevention Act, all of which are perfectly clear, and then any area of the sea adjacent to the areas referred to in paragraphs (a) to (d) as may be prescribed. I am particularly concerned about that when it is read in conjunction with Clause 19 which provides in part:

Where an offence against this act is committed by a person, whether or not he is a Canadian citizen, in any area of the sea referred to in paragraphs 2(2)(a) to (e)—

Could the parliamentary secretary, who I am sure has given a great deal of thought to this bill, indicate to the House what the government has in mind when it says in paragraph 2(2)(e) "any area of the sea adjacent to the areas referred to" in those paragraphs? How far away from the territorial sea of Canada would that area adjacent extend—would it be up to 10 miles, 15 miles or 20 miles?

I am worried about the question of jurisdiction when charges are laid, particularly in light of some of the decisions of the World Court, with which the hon. member and I are particularly acquainted. I am wondering about this area of Canadian jurisdiction when charges are to be laid against persons who are alleged to have committed offences in these areas adjacent to the sea. Perhaps the parliamentary secretary could elaborate on that for a few minutes.

Mr. Benjamin: Mr. Speaker, I wonder whether the hon. member for Peace River (Mr. Baldwin) would repeat that question?

Mr. Baldwin: Mr. Speaker, any member, other than a member from the inland province of Saskatchewan, would know very well what I mean.

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, I am not certain I can answer all the questions the hon. member has raised. Many of them are highly technical and are the kinds of questions that should be answered in committee. If I thought the hon. member were serious in making this speech in the form of a question I would take him seriously, but I do not think I should take him seriously now. I would be happy to assure the hon. member that the minister will appear at some stage before the committee, along with the appropriate officials who will be able to answer any of these technical questions the hon. member might like to raise. I should like the hon. member to attend the committee hearings.

● (2020)

Mr. Baldwin: I am sure the committee proceedings will be in order.

Mr. Roche: Mr. Speaker, I should like to pose a question to the parliamentary secretary, if I can get his attention. I should like to ask him how he possibly could have made a speech on ocean dumping tonight without one single word or reference to the Law of the Sea Conference that is now going on in Geneva, which is considering ocean dumping as well as many other subjects related to the common heritage of the sea. Is this not an indication of the government's—

Mr. Deputy Speaker: Order, please. I think the hon. member is taking advantage of a question to make his own speech. This is not according to the rules. If the parliamentary secretary wishes to answer I shall allow him to do so, but personally I feel this is not a proper procedure at this stage.

Mr. Roche: I will repeat my question for him in a shorter form. I simply want to know why, in the speech he made tonight, he made no reference to the Law of the Sea Conference in Geneva, which is very important to Canada.

Mr. Marchand (Kamloops-Cariboo): I suppose the hon. member could mention many things that could have been contained in the speech. The hon. member might refer to the statements which have been made about the Law of the Sea Conference by the Minister of Fisheries (Mr. LeBlanc), the Minister of the Environment (Mrs. Sauvé) and others.

I do not believe it is a valid point at this stage to suggest I should discuss everything that is being dealt with by the Law of the Sea Conference. It is dealing with many important questions, one of which is the 200-mile zone. We are all concerned about this. I think we all hope we will achieve the 200-mile economic zone at the Law of the Sea Conference. Really, however, I think this is a question which has been very adequately debated. The position of the Government of Canada is very clear relating to what it hopes to achieve at the Law of the Sea Conference.

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, I wonder whether the parliamentary secretary would permit one futher short question.

Mr. Marchand (Kamloops-Cariboo): Yes.

Mr. Baker (Grenville-Carleton): Thank you very much. My question relates to the matter referred to by the hon. member for Peace River (Mr. Baldwin), that is, the definition of the sea as it appears on page 3 of the bill. There is a reference to the territorial sea and various other seas. There is also mention of areas under foreign jurisdiction, and other areas. Would the parliamentary secretary assure us that when the matter goes to the committee there will be someone present from the department to tell us what part of the sea the bill does not refer to, in view of the broad definition that has been placed in the clause? Would he undertake to do that?

Mr. Marchand (Kamloops-Cariboo): Yes, I would be happy to give the undertaking that at the hearings of the committee on this bill we will answer all technical questions any hon. member would like to raise.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I am somewhat surprised to be debating this matter tonight, but I am pleased that the government has at last found the time to devote to this matter in the House of Commons.

This is a matter which all parties in the House have agreed is of some substantial importance to Canada, to the longer range development of programs and agreements of the type being discussed at the current conference in

Geneva on the Law of the Sea, and to general questions relating to the establishment of some kind of international authority on issues which have too long existed without agreement. The failure to achieve agreement concerning some kind of rules has caused substantial problems for this and other coastal countries.

I missed part of the speech by the parliamentary secretary. I regret that I was not able to give attention to all the remarks he so carefully prepared. I certainly can share with him—and I say this on behalf of the official opposition—his concern that Canada should participate as much as possible in the conclusion of this accord and that it should participate as one of the original signatories to the ratification of the convention.

I want to enter the caveat, which is not serious but which I feel should be mentioned, that if during the detailed discussion at the committee stage it should become apparent to us that there are some serious deficiencies in the bill as it stands we will not allow an international time table to cause us to rush through this parliament a piece of legislation dealing with a subject matter which is too important to be dealt with in haste. However, in the event that this problem does not arise—and I respect the good will of the parliamentary secretary and his minister in this regard—I think we are certainly inclined to give the matter expeditious consideration in the committee.

Naturally there are a number of members of my party who have a long standing interest not simply in coastal matters but also have very important questions relating to the Law of the Sea, and who will want the opportunity to speak on this matter and raise questions in the standing committee concerning the implications of Bill C-37. There are some anomalies which I believe it is important to consider even at this early stage. One is that the bill on its face seems to refer to all substances, and yet in a later portion of the bill there is reference to the establishment of certain schedules. This would seem to indicate that there will be in the schedules some kind of limitation concerning the categories of substances which this bill or the convention will treat. This will certainly be one of the things we in this party will insist upon having information on at the committee stage.

We will want to have a detailed delineation of the contents of any schedule such as referred to in the bill. We will particularly want to have answered the question concerning whether this legislation will in fact deal with all substances or whether there will be in the schedules some kind of limitation in respect of the substances which will be dealt with, because this could seriously detract from the effectiveness of the convention internationally or the effectiveness of the legislation with which we are dealing this evening. Therefore I want to advise the parliamentary secretary and the government that we in this party will be interested in having quite a detailed elaboration on the relationship between the part of the bill which appears to refer to all substances and the implication in the latter part of the bill that there is a possibility we will be dealing with a limited range of substances.

As the bill stands it contains certain inherent limitations; perhaps as well as being inherent they are inevitable in dealing with matters of international law. The bill quite clearly deals with dumping where Canadian ships are involved or where a cargo which was loaded in Canada is involved. The extent of the prohibition with which we are dealing—I will await the contributions of some of my colleagues here who are more expert in the intricacies of the international law of the sea—has to do with a fairly limited number of ships which might be involved in dumping, a number limited either by the ships in question being Canadian ships or the cargoes in question being Canadian cargoes.

● (2030)

Apart from that, our shore lines which might be affected by loopholes in any international dumping agreement, and indeed the general safety and cleanliness of the seas, are not protected against the possibility of dumping by ships that either are not of Canadian registry or are not carrying Canadian cargoes. That, taken in tandem with the matter that I raised earlier—the question that is on our minds because there is a reference on the one hand to all substances being covered, and on the other hand a reference to certain schedules—raises some very serious questions as to how complete a protection will be given by the legislation to Canada as an interested coastal state, and indeed by the convention in the ratification of which it is intended that Canada participate.

If I may enumerate them again, there appear to be three categories of substance that could seep through a leakhole—

Some hon. Members: Oh, oh!

Mr. Clark (Rocky Mountain): I seem to be coining a new word.

Mr. Roche: That is the way the government operates.

Mr. Woolliams: Did you say seep through a leaphole?

Mr. Clark (Rocky Mountain): —seep through a loophole. First, any substances which we think are prohibited but which do not appear to be in the schedule are in the first category. In the second category are substances which are dumped by non-Canadian ships, and in the third category are the commodities which are dumped which were not loaded in Canada.

I think it would be difficult for us at this stage in the debate to gather exact information on the range and importance of the substances that might be affected by the weaknesses in the bill. However, it is clearly a highly important matter for us to consider and on which to have some detailed information from the lawyers who have been involved in the discussions at the Law of the Sea Conference and who can tell us the extent to which Canada may be protected by the convention, and the offshore areas which our own law will protect. We would also want to have more information from people who are expert in marine practices and marine traditions as they relate to registry and to cargo loaded here in Canada or loaded in other places.

Given the weaknesses in the bill and given the fact that there are certain substances which can leak through, those of us who are interested in the protection of the Canadian coastline will be in the situation of having to rely upon the

powers of the international accord and, more particularly, upon the comprehensive nature of the international accord and its capacity to include countries which have operated in the past in the business of ship registration and perhaps have not been as careful as Canada would like to be in adhering to international regulations which would lead to a safer environment.

That, of course, is in the nature of the problem under any international law. Those who obey the law are always at the mercy of those who do not. I simply underline the point that we will be in that difficult situation here, and one of the matters on which we will seek some clarification and specific information in the committee has to do with what kind of substances might leak through the loopholes in this law, and also the incidence of problems arising either from ships of foreign registry or from cargoes loaded elsewhere than within the jurisdiction of the signatories to this particular accord.

Another limitation in the bill is that the strictures here apply to cases of deliberate disposals. Again it will be necessary to refer to the accumulated bodies of laws for a definition of deliberate. I think most of us would agree, and it is well established in our own legal system, that there is not much protection that we can provide, particularly in a rudimentary system, against accidental occurrences.

One would hope that the Department of the Environment is acting under other headings to try to protect our coastline against accidents, but the fact remains that there is no way in which we can prevent, by law, the occurrence of accidents. Perhaps we can respond, but we cannot prevent. So there is some sense in including the adjective deliberate, but it raises a serious problem of definition as to just when a disposal is deliberate and when it is accidental.

There will be a grey area that will cause some difficulties of interpretation. I imagine that there is some learning or case history in international law on this matter now, and that will be something to which we will want to give our attention in the standing committee. It is a matter of some concern to us that we may be creating, by the language of this legislation a capacity for certain countries, or certain ship owners who might not want to adhere to the convention, to find a way out because of the adjective deliberate. That is a matter to which, I am sure, the parliamentary secretary has given extensive attention, and I am looking forward to hearing from him, his advisers and the minister on this matter in committee, and on the extent of the loophole that it might create for people who normally come within the confines of this legislation.

There are some other problems that occur to me as I look at the legislation. Of course I will not violate the rules of the House by referring at this stage to specific clauses or subclauses, but a problem seems to arise in the case of emergencies. I am speaking now not from the perspective of the country that might be affected but from the perspective of the ship owner or captain who might be in the situation where he or his crew are faced with an emergency and, for the safety of his ship and of his crew, he might engage in some kind of dumping. Clearly that kind of thing happens at sea and it is clearly a matter which we must contemplate.

Dumping at Sea

As I read the bill—again this might be a matter on which the parliamentary secretary or advisers to the department can ease our concern—there is a requirement that before a cargo can be dumped there must be notification to a particular agency in order to claim exemption from the law. In other words, we may have some poor guy at sea in an emergency who might be faced with the problem of having to dump his cargo. If, for one reason for another, he is operating in waters or under agreements that make him subject to the accord of which we are speaking tonight, as I read this legislation he must notify someone to obtain permission to dump in the event of an emergency before he can be exempted from the strictures of the legislation.

● (2040)

It may well be that that is necessary, and it may well be that other countries which have engaged in the development of law relating to off-shore dumping have come to the conclusion that, if someone is going to suffer in an emergency situation, it is better that it be the ship experiencing the emergency than the country which tried to pass a law to protect its shoreline. It may well be that this will be a considered provision in this legislation, but that again is a matter we want to take advice upon later.

The bill establishes a board of review. I speak now of the effectiveness of this legislation in fact and of its capacity to serve in a genuinely protective way the Canadian coastal environment and, indeed, the coastal environment of other countries sufficiently concerned about this problem that they intend to be signatories to the international convention. But in the Canadian law there is a board of review established with discretionary powers, at least as I read the legislation. There is no automatic provision for the board of review to begin to act. It is up to the minister to decide whether a matter is to be referred to the board of review. That is my understanding of the legislation, and we might consider that in detail in committee.

The problem here is the problem of ministerial discretion. Whenever there is in a statute a provision for discretion by a minister, I think it behooves parliament to ask why that particular discretion is there. What is anticipated by the minister or by the department which causes them to introduce this discretionary provision? The question is not simply why that discretion is there, but who might benefit from it. I think that will be another matter we will want elaboration upon when we get to the stage of detailed discussion in committee. We should try to determine why there is this discretionary provision and who it might benefit, who might evade the provisions of the accord, because the board of review does not come into effect directly but comes into effect only with the agreement of the minister.

There is throughout this legislation and, indeed, throughout much of the legislation which is brought forward to deal with environmental matters in this country, a very real question as to the capacity of the general public to raise matters of concern to them, to raise matters which are not simply of specialized concern to people who happen to deal in the arcane regions of the law of the sea or inhabit the environment department. As I read this legislation there does not seem to be very much opportu-

nity for individual members of the public, who might have reason to apprehend an emergency at sea, to anticipate such an emergency or to be effective in bringing into action the sections of this legislation.

I think that one of the matters of concern in this legislation, and in much of what has come forward from the Department of the Environment, is that there is relatively little attention given to a process which would encourage public participation, either in the sense of expressing anticipated dangers or in the sense of creating a mechanism which would allow for the effective registration of complaints.

We will want to consider that and particularly the failure, as I read the bill, of any mandatory provision for the public to initiate the calling of the board of review. That is done only with the permission of the minister, and there are a variety of reasons one could anticipate, without attributing any meanness of motive to the present minister, why the minister might not want to make that reference to exercise that discretion, but there is no mandatory right of the public or of a member of parliament to call the board of review into being, and that is a matter we will want to have explained to us with specificity at the committee stage.

One of the related weaknesses in this aspect of the bill is that even where public complaints might arise there is no provision in the bill, as I read it, for a reliable reference or a mandatory reference to the committee or to the board of review for consideration. Concerns which might have occupied question period in the House of Commons for five days in a row need not be referred, simply because they are in issue here, to the responsible agency. I admit that this is a long shot, but if the minister decides that he or she does not want that reference to be made, the minister has the discretion and the power to stop consideration of a question which may be of such public importance that it has occupied the attention of this House for some time. I do not mean to suggest that all matters which occupy the attention of this House for some time are necessarily of paramount importance, but that is often the case. One of the matters we want to have explained to us is why there is not a greater reference in this bill to the encouragement of a response to public concern.

One of the other matters which may make sense to people who might have had the chance to study in detail the whole history of issues relating to dumping, or perhaps to people who have specialized in law of the sea questions, is why there is a provision in the bill that there will be a two-year delay in any proceeding, in respect of the legislation, after its passage. I think we will want to have from the parliamentary secretary, or the minister or her officials in committee, some justification or some indication of the reasons for this two-year delay, and some justification for a delay which may extend over a period which could cause serious problems for the coastline of Canada and, indeed, for the waters off-shore.

As a layman in the various fields of international law it seems to me that this is a holiday which is given to people, companies, or ships which might violate the spirit of the accord, and we will want to know in some detail why there is this two-year delay in the application of the possibility to charge an offender with an offence under the legislation we now have before us.

There is another matter which may have less to do with the problems of international law and the prohibition of dumping than it has to do with the status of the Department of the Environment among the portfolios of the government. As I read the definition section of this legislation there is reference to enforcement by a minister, but there is no specification as to who that minister will be. It may be that the minister concerned will be the Minister of the Environment, but we cannot take that for granted. The mere fact that the Minister of the Environment sponsors the bill does not mean that that minister will be the one referred to in the clauses of the legislation.

● (2050)

Just the other day we had legislation which appeared in the name of the President of the Privy Council (Mr. Sharp) and which would involve actions taken by other ministers. There is no guarantee of that, without the specific indication that the minister concerned here is the Minister of the Environment. That may seem a relatively small point to some members but it is not when seen in the context of the general concern of Canadian environmentalists for a commitment by the government to high environmental standards.

There has been all too much evidence on all too many fronts that the Department of the Environment in Canada is very much a junior partner, second in status and lacking in clout compared with other departments of the environment in other jurisdictions.

Mr. Corbin: Name them.

Mr. Clark (Rocky Mountain): I am challenged by the hon. member opposite. I can name the United States of America for one. I know that my colleague from Madawaska-Victoria (Mr. Corbin) is speaking with his usual expertise on this matter, which is to say not much, but it is clearly the case—

Mr. Corbin: The stupid things you are saying!

Mr. Clark (Rocky Mountain): —that in comparison with the United States the provisions for the empowering of environmental authorities in this country are much weaker. We could go through a list of examples starting with their determination to consider problems of asbestos discharges and going on to a number of other categories. If the hon. member opposite wants to engage in debate about the matter we can do that on another occasion.

The problem now is that we have a bill before us which might be enforced effectively by a strong minister of the environment but which probably would not be enforced effectively by a weak minister of the environment, and which certainly would not be enforced effectively if, by statute, the minister who had the power was not the minister of the environment.

If the government had the commitment to environmental questions that the hon. member opposite suggests it has, it would have specified in this legislation that the minister concerned here is the Minister of the Environ-

ment. What are we going to do if it turns out to be the minister of transport—

Some hon. Members: Oh, oh!

Mr. Clark (Rocky Mountain): I make no personal reference to the present minister here, Mr. Speaker, but it might be that such minister, for reasons of his or her jurisdiction, would have an inclination to go easy on ships which might be likely to pollute.

I repeat the point I made earlier, Madam Speaker, that in this legislation there is a capacity for whichever minister is concerned to block the effectiveness of it. The apparatus we are establishing here can come into play only at the discretion of the minister. If the minister chooses not to exercise that discretion we are wasting our time in signing the accord or in passing this legislation. My colleagues seem prepared to celebrate the waste of time; we are not.

This is an important matter not simply as it applies to this particular piece of environmental legislation but as it applies to the whole question of the status of the Department of the Environment. Unfortunately, as we have seen in regard to environmental impact legislation and the attitude toward class actions and a number of other occasions, the Department of the Environment here does not have the standing relative to other departments that its counterpart has in our neighbour to the south, or that it should have in a country where environmental questions are as important as they are here.

We have so much to preserve in Canada in the way of offshore and coastal considerations, but the problem here is that we have established a minister whose discretion can cancel the effectiveness of this bill, and we have not specified which minister. We on this side of the House are concerned in any event with vesting in a minister that wide kind of discretion which can cancel the application of the bill. That is alarming enough in itself. What makes it even more alarming is the fact that it might not be the Minister of the Environment who can exercise that discretion, but some other minister with other priorities who has to heed other demands and jurisdictional questions.

If the Minister of the Environment is to have any credibility surely that minister must speak up, whatever the issue, on behalf of environmental quality. That is the justification for having a minister of the environment. That minister is supposed to be the spokesman in the cabinet for environmental quality. That assumes there are going to be, in a complex country like this with various interests, other ministers with other portfolios and other interests. The danger that exists in this legislation as it stands is that we can have a discretion to cancel exercised by a minister whose primary interest is not an environmental interest. I suggest that is an aspect that we will want to repair in the committee.

If some of my vociferous friends on the other side want to come to the committee I hope they will, and I hope to hear a rational explanation of the extraordinary step taken in this bill of not specifying which minister will be the effective minister, and of vesting in the minister a substantial discretion which would allow him or her, which would allow a minister of transport or a minister of the environment, to cancel the effectiveness of the legislation.

Mr. Bechard: We have a strong Minister of the Environment.

Mr. Clark (Rocky Mountain): The chairman of the committee tells me we have a strong minister. The problem of the Minister of the Environment is not one of personal qualities but one of not having the legislative clout to do what must be done for the environment in this country. Even if the minister did have the legislative clout that she should have, there is no guarantee in this legislation that she will be the minister who can exercise the discretion which would be critical in putting the bill into effect.

Then there is the whole question of enforcement of the provisions of the bill. Will it be enforcement by reference to courts, international courts, or some body of international jurisprudence? Will some active attempt be made to police those parts of the Canadian sea which are within our jurisdiction? Does the government intend that the Department of National Defence, for example, will engage in enforcement activities? If so, what would that mean for the already limited budget of that department? Is it the government's intention to create some new kind of policing authority under the Department of the Environment perhaps, or some other department? The question is not how it will be done but whether it will be done. In the address of the parliamentary secretary I heard not one reference to that question, but it is one that should be elaborated on in committee.

There is one other matter which is more important to us than the other signatories to the convention or countries affected by it. That is the question of Canadian offshore areas in the Arctic. We have there a situation where the dangers of dumping can be much more severe than in southern climes. We share northern waters with only a few other countries of the world and probably only a few of the signatories to this convention. One of the matters on which we will need elaboration when this comes to committee is the special way in which this convention and this bill, which would allow Canada to give force to this convention, is going to be effective in the ecologically delicate areas of the Canadian Arctic. That is a matter on which both the parliamentary secretary and the bill have been silent. I advise the parliamentary secretary that it is a matter on which we are going to request considerable elaboration when it comes to committee.

● (2100)

Another factor that relates to the question of the potential use of National Defence ships and potential detection is whether, in carrying out the spirit of this convention, there is going to be any new emphasis upon detection of dangers arising from dumping, or any new development in the technology of cleaning up pollution problems caused by ocean dumping. There is no point to Canada simply signing a law and agreeing to a convention if that is all we are going to do.

If we are serious about preserving the quality of sea waters offshore to Canada, we have to do much more than simply pass this law or sign a convention. We will have to

change substantially our approach to the whole question of the priority of the environment. We will have to assign that concern a priority which so far has not been assigned it by the government.

It is not enough just to have a bill or a convention. If we are serious about this we will have to engage in the development of new methods. We must be prepared to sponsor new research. We must take steps which will make it possible for Canada to act effectively on a day-to-day basis in dealing with problems which might arise because of the loopholes in this agreement or because of accidents that might occur.

Earlier in the discussion tonight one of my colleagues raised the very germane question of the progress of discussions now under way concerning the international Law of the Sea. It is abundantly clear from what I have been able to see in a brief discussion of this bill that this bill, as it stands, provides no protection unless it is backed up by a strengthening of the state of the international Law of the Sea.

The bill allows loopholes concerning cargoes loaded outside Canada, ships of foreign registry, leakages that might be construed not to have been deliberate, and actions about which the minister may have decided, for whatever reason, not to exercise a discretion.

There are all sorts of possibilities for pollution to occur despite this piece of paper we are discussing here this evening. One of the most important safeguards we can develop, and of which this bill can be a part, is to continue, and give greater importance to, the process now under way in Geneva to strengthen the international Law of the Sea.

In this matter, and in many others which involve Canada's relations with other countries, what we do in this parliament is only a very small part of the job. It is only a very small part of our protection. It will turn out to have been in vain unless we can establish some international mechanism to ensure adherence to the standards which we might set out in statute, or the standards which might flow from an international convention respecting ocean dumping.

I have raised some of the concerns that I, and my colleagues in the official opposition, have about this bill. I reiterate that we share the concern of the government that Canada have the opportunity to be one of the signatory nations in the bringing into force of this convention. However, I repeat the caveat I uttered earlier. Unless we are given adequate answers to some of the questions we raised, unless there is some assurance the loopholes we are dealing with are going to be closed or narrowed, and unless there is some assurance that we are engaged in something more than a gesture, we will hold up the bill in committee until we get a good bill. We are not going to pass a bad bill simply so Canada can be a party to the signing of an international convention.

We share the concern of the government, the minister and the parliamentary secretary regarding the importance of this legislation. We regret that it was not brought in earlier. We on this side of the House were told for some time that this was a matter of priority to the government, yet it is only now under extraordinary circumstances that the government has introduced it. We are prepared to overlook the gap between the priority it claims and the priority it displays. However, we are not prepared to overlook the gaps which exist in this legislation and which could cause problems and thereby render our work here and in committee useless.

In closing I simply repeat that we agree with the motives of the bill. We have some concern about the particulars of it. It is a bill which we feel unhappily reflects the generally junior status of the Department of the Environment in the government. This bill will only be effective in the final analysis when Canada and Canadians can play an important role in causing other nations of the world to develop a stronger body of international law.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I hope that the Parliamentary Secretary to the Minister of the Environment (Mr. Marchand) will realize that the facetious comment I interjected in the first two or three minutes of his speech, which was made in the spirit of the proceedings of the House at that moment, did not represent either my view or the view of this party with respect to Bill C-37.

The fact is that we regard this as a serious and very important piece of legislation. We would like to see it get second reading within a reasonable period of time so that it can be sent to the standing committee for the thorough study it will have to be given there. After all, it takes only a cursory glance at the 25 pages of the bill to realize that it is a highly technical piece of legislation. It is the sort of bill that can best be examined in a committee where, in addition to the members themselves being present, there can be the officials who can advise on the terms of this legislation.

● (2110)

I would like to say that in my view and in the view of this party every step we take, even if is not the giant step we would like to see taken, in the direction of doing something about pollution anywhere, is important and should be supported.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I like the words, poetic though they were, with which the hon. member completed his speech. He said the sea was the heritage of all of us. That is true, and steps should be taken to make sure it is protected. This goes for the sea, for our own inland waters, and for the air above and around us. We are really just getting started on the whole business of controlling pollution. Future generations are looking to us to take all the steps we can to protect our environment, and there is no time to lose.

I gather from statements made by members of the official opposition that they will probably complain that the bill does not go far enough. And then, within minutes, they are likely to complain that it goes too far.

An hon. Member: That always happens!

Mr. Knowles (Winnipeg North Centre): Hon. members opposite appear to be in good spirits tonight. That pleases me very much. I agree that further steps will have to be

taken; I see loopholes in the legislation already. The point is that together with other nations we are getting started in an attempt to protect the oceans against undue pollution.

The hon. member for Rocky Mountain (Mr. Clark) made the point that emergencies might arise at sea in circumstances in which a person in charge of a vessel might have to carry out dumping in the absence of a permit, or without making the required report. I would remind the hon. member that such a situation is covered in clause 8 of the bill. The descriptive word used in the marginal note is "Emergencies". It says that notwithstanding what is contained in subclause (4)(1) dumping may be carried out without a permit if it is necessary to avert danger to human life at sea or to any ship or aircraft. So the emergencies are covered. The clause goes on to circumscribe the permission which is given, but it strikes me from a quick reading of the bill that an attempt has been made to put forward legislation which will at least constitute a start in this important field.

It is also said we should not be expected, as a country with a great deal of interest in the ocean, to take all the responsibility; that others will have to work with us. That is true. But what is involved is the carrying through of a purpose. We signed the Oslo Convention on December 29, 1972, and I would say that if even 15 nations of the world are prepared to take steps to protect the oceans against undue pollution we should be part of that effort. The leadership we can give in this field is important, and it is the kind of thing Canadians want to do.

I listened with interest to the remarks of the hon. member for Rocky Mountain about the question of which minister is to be in charge of the legislation we are considering. I agree with him that it ought to be the Minister of the Environment. I agree that the clout of the Department of the Environment should be strengthened, and I hope this will be the decision eventually reached. I have to say, though, that I am not scandalized by the fact the bill does not name a particular minister as minister in charge of the act, but leaves it to be decided later. I say this because I have seen similar provisions in a number of bills; in other words, some latitude is given to the government to make a decision.

I agree with the hon. member for Rocky Mountain that it should not be a minister who might be involved in a conflict of interest and who might therefore play down concern over the environment because of some commercial consideration. Perhaps the minister chosen could be someone like the Secretary of State for External Affairs; I can see the holder of that office as a possible minister in charge rather than, say, the Minister of Transport within whose department a conflict of interest might easily arise. In any case, the matter has not been resolved against the Minister of the Environment—the wording is set out in subclause (2)(1).

I do not agree with everything the hon. member for Rocky Mountain said, but I join with him in expressing the hope that added strength will be given to the Department of the Environment. There is no use this department becoming just a hanger-on, one which gets into the picture now and then. Preservation of our environment is one of the most important issues facing us in the latter part of the 20th century. It is terribly important to the 21st century, and the sooner we build up this department and give it the strength and authority to enable it to make effective decisions concerning our environment regardless of commercial considerations, the better it will be for all concerned.

I am the last to suggest the bill is perfect or that it does not need to be carefully considered in committee with the officials present, but participating with other countries in the world in an attempt to protect the seas around us is a good and an important endeavour and I should like to see second reading given to the bill fairly soon so that it may be sent to the appropriate standing committee.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, it is interesting to note that the first two speakers representing the official opposition come from the province of Alberta which is a land-locked province. This is a fact which I believe underscores the importance of the bill before us, one which goes far beyond the superficial idea that it is of concern only to the provinces which border our seas.

We shall be hearing tonight from a representative of our party from British Columbia, and undoubtedly he will speak out of his concern for the protection of the coastline of that province. But it is particularly important for us to understand the final sentence spoken by the parliamentary secretary in introducing this bill when reluctantly, it seemed to me, he came round to a recognition that anti-dumping legislation affecting the high seas and the seas adjacent to Canada is connected with the whole issue of the pollution of a common heritage of mankind. This places the bill in a far larger context than that of unilateral action taken by Canada, or even of Canada becoming a signatory to a convention. This bill has far wider ramifications than anti-dumping, and that is why I pleaded with him at the conclusion of his remarks and criticized him for stopping short in his speech.

● (2120)

What the world is concerned about today in regard to our seas is not simply anti-dumping legislation, however important that be for the protection of this part of our environment that covers four-fifths of the surface of the globe. What is of concern to the world today is the total management of the seas.

As we examine this bill we read that the measure will provide for the control of dumping waste and other substances in the ocean; for the establishment of a board of review consisting of not more than three persons; that it will provide that the federal Crown is bound by the measure; for fines in contravention thereof in the amounts prescribed; and for costs of the federal Crown to repair or remedy any condition or to mitigate any damage, and for their recovery.

In implementing this recommendation contained in the bill, I ask how we can expect other nations of the world that have access to the high seas, and whose vessels pass within 200 miles of our shores, to observe our rights if we do not indicate today that we are concerned with the common rights of mankind which are currently under examination at the Law of the Sea conference? I am

saying very plainly to you, Madam Speaker, that it is futile for us to have a narrow concern regarding anti-dumping, however important that be, if we do not join with that concern a much more active role of leadership in regard to protecting the high seas and the 200 mile zone, of which I will speak in a moment. We must show a determination to use the seas and their fabulous wealth for the good of mankind.

I will enter evidence in a moment indicating that Canada is not doing that. Hence my argument is that it is rather pointless for us to be introducing this bill in the expectation that it is going to be sufficient to protect our seas from dumping, whether by Canadian vessels or foreign vessels that come close to our territorial waters. We must, as I say, play a much more active role in leading the way.

I want to suggest that the threat to the oceanic ecosystem, including the threat to the food chain and the very air that we breathe, is the question that is before us tonight. This threat comes not only from oil installations in the sea but, even more, from land based pollution, from conscious ocean dumping, from rivers polluted with lethal substances, and from pollution of the atmosphere by the burning of petroleum and other fuels. The world's oceans are one, and pollution respects no national boundaries.

Therefore it is not for Canada alone to take any kind of unilateral action in regard to protection of the seas or the seas adjacent to us; we must win the respect and co-operation of other nations. This is partly what the Law of the Sea conference is all about. I suggest to the parliamentary secretary that this bill should not be discussed, and that when it gets to committee the committee should not discuss it without reference to Canada's role today in the Law of the Sea conference which is now being held in Geneva.

The Law of the Sea conference resumed in Geneva three or four weeks ago, the first session having been held in Caracas last year. There was a clear trend toward the acceptance of what the government itself has called a three tiered concept of the Law of the Sea. The first is that there be established an economic zone out to 200 miles from the coasts of nations, over which those nations would have control of the fishing and mineral rights within those 200 miles; secondly, that there be established an international area beyond the economic zone reserved for the common heritage of mankind; thirdly, that there be the application throughout the oceanic space of sound management principles for the use and preservation of the sea.

When the conference resumed in Geneva, attended by the majority of the nations of the world, an attempt was made to produce what has been called a package agreement by which there would be brought into one general agreement all those factors concerning pollution, navigational rights, fishing rights and, most important, mineral rights. This package agreement is to open the door or lead the way to a common heritage fund that is to be administered under international authority. This international authority will take the first significant step that has been taken since the United Nations came into being in sharing the wealth of the world in a planetary sense.

No one has been concerned until now about the kind of wealth that can be produced from the high seas, other than fishing wealth. This is because it has not been technologically possible to produce from the high seas mineral wealth in great quantity and of great value. We know there is immense wealth in the seas. To show how important this subject is—I am not talking here of the international zone beyond 200 miles but only of the economic zone within 200 miles of the shores of coastal states—within that relatively small area of 200 miles there is $20 trillion worth of exploitable oil and gas.

There are many nations that went to the Law of the Sea conference wanting an international authority established that would share revenue derived from the exploitation of the mineral resources of the sea within a 200 mile zone. Most of the developed countries vetoed this proposal, Canada included. If I had to, I could establish an argument that the developed countries of the world should agree to the establishment of an international authority to share such revenue on a global basis in order to close the gap between the rich nations and the poor nations of the world, which is the cause of the social dilemma that we are facing today. However, I am not going to establish that argument because at the moment I want to concentrate upon that part of the high seas beyond the 200 mile zone—the high seas.

I know that mineral exploitation is not yet technically advanced sufficient to realize this fantastic amount of wealth that is rather immediately recoverable from within this zone of 200 miles. What I am concerned about is that part of the high seas beyond the 200 miles which is most open to the argument of international authority since it gets away from the first 200 miles.

● (2130)

Now we come back to Canada and this bill. Sometimes I wonder, as I look around the House, whatever happens to speeches made here. I only hope somebody reads them. I know there are losts of meetings and things going on which the ministers have to attend, but hon. members of the opposition try to present positive suggestions, some in support of government measures that come before this House, in an effort to move Canada ahead and in recognition of our international responsibility. One only hopes that some of the ideas that spill out on this floor gradually find their way at least into consideration by the government.

The Minister of the Environment (Mrs. Sauvé), the Secretary of State for External Affairs (Mr. MacEachen), his deputy and his assistant, and the Prime Minister (Mr. Trudeau) are all away. No one is ever here to hear these things. One wonders about the usefulness of this exercise, and one is not surprised that so many members of the public are disillusioned about the political process today. I will not deviate too long on that.

The important thing is that today Canada is taking part in this Law of the Sea conference at Geneva. We are not debating it here in the House. No one is standing up in the House each day asking what we are doing at this most important United Nations conference. We are not doing that. We are dealing with a rather narrowly focused bill which is a nice piece of motherhood. My friend, the hon. member for Rocky Mountain (Mr. Clark), had some legitimate criticisms, but even he had some difficulty in finding

some really substantial points to criticize in respect of this bill, mainly because it does not really say that much. This is stange when there is so much that ought to be said by Canada in the explosive world of today.

I now come back to our position at the Law of the Sea conference and what actually is happening there. That conference today is breaking down in that it cannot come to a package agreement because it cannot agree on the concept of revenue sharing beyond 200 miles. It cannot agree to sharing in that international zone, and one wonders why. One reason, among others, is that Canada is opposing it.

Canada is today, and I want to make this point very clear, killing the idea of a common heritage of the sea by its conduct in Geneva right now. Canada is killing that concept. I would only indicate one remark made at the Law of the Sea conference by a representative of Kenya, who said just over the weekend:

> If the Canadians would only offer revenue-sharing as a trade for their claim to the margin then there might still be a chance for agreement.

What does he mean by margin? He means our continental margin extending out in some cases 640 miles. He is talking about that area over which we want total economic control beyond the 200 miles. If we had total control of our continental shelf in both oceans we would expand the acreage of Canada by 40 per cent. I would ask hon. members to remember that Canada is the second largest country in the world, having 7.6 per cent of the land mass of the world today, even though we have only one-half of 1 per cent of the population of the entire world. To this we are now asking in Geneva that we add the right to total control over that amount of land beneath the oceans which would add 40 per cent. I would ask if that is a reasonable position for Canada to take. I would certainly listen to anybody who stands up and says that is a reasonable position, but I do not think it is, and I do not think there are many members of parliament who will get up and say it is reasonable.

The conference at Geneva today is breaking down because we are adhering to that idea, and because there is a lack of acceptance by developed nations of the whole idea of the common heritage of mankind. I only suggest that Canada should develop much more cognizance of its international responsibilities.

I support the Prime Minister in his speeches in this regard, as I support the Secretary of State for External Affairs in his two most recent speeches on Canada's role internationally, made in the months of March and April of this year when introducing his estimates to the Committee on External Affairs and National Defence. When the Prime Minister was in London he made a speech that has been noted around the world. I have seen it quoted in the international press in several countries. I want to align myself with the thoughts of his speech as reflected in the position taken by the Secretary of State for External Affairs. The Prime Minister said:

> The human community is a complex organism linked again and again within itself and as well with the biosphere upon which it is totally dependent for life. This interdependency demands of us two functions: first the maintenance of an equilibrium among all our activities, whatever their nature; second, an equitable distribution, worldwide, of resources and opportunities.

He referred to an equitable distribution, worldwide, of resources and opportunities, but you simply cannot square these comments, laudable as they are, with our conduct at the law of the sea conference, or with our posture here tonight in talking about anti-dumping legislation to protect Canadian shores. This will simply not wash in a world today torn between the growing disparity of rich and poor nations.

This concept will not wash either in a world that is having a series of United Nations conferences on population, on food, on resources and on the Law of the Sea, culminating with a special session on development at the United Nations this fall. When all these problems come into sharp focus this position will not wash. We cannot have it both ways. We cannot make fine speeches on what we feel is our international role and then go into this Law of the Sea conference with the position I know that Canadian technocrats are taking there, mainly with the object of protecting our own interests first and foremost. I have not been at the Law of the Sea conference but I have been at others, and I know this will not wash in the kind of world we are living in today which is lacking leadership from countries like Canada.

I feel very badly that when we get into conferences the position of Canada seems to be confined to technical positions. Our position in this House is confined to pieces of legislation that are of marginal significance when there remain outside this House, and away from parliament, tremendous questions regarding Canada's relationship to the world population explosion.

I only plead with the government to reconsider its position at the Law of the Sea conference before its delegates come to the final conclusion that Canada is among those countries that killed the common heritage idea of the seas, and before we lose one of the greatest opportunities we have had in the 20th century of establishing an international authority with some teeth in it, based on the concept of revenue sharing in respect of mineral exploitation in that part of the world which has not yet been claimed by any national authority.

We must be able to think beyond our own self national interest for every moment of every day. I am not selling out Canada or saying it does not have the right to protect its development. Certainly we have that right, but we do not have the right to be overly concerned with the total economic control of an area equal to 40 per cent of our land mass, when that very attitude will be responsible for killing the concept of common heritage of the seas.

Finally I would conclude with the thought offered by my colleague, the hon. member for Rocky Mountain. I too do not think the Minister of the Environment is the one to handle this matter, and I say this in context with my arguments so far. I think it is far too big and involves far more than environmental questions. If we are to take that into account and think of who is to control this and how Canada fits in, surely we must feel that this ought to be a matter for the Secretary of State for External Affairs. He is a minister to whom I give full credit as I think he is increasingly conscious of all these problems. I think he is aware that we, as Canadians, must have a greater participation in these matters, and therefore, if we are to talk

about anti-dumping legislation, it should be that minister who is put in charge.

● (2140)

I think the Secretary of State for External Affairs should be in charge. But that is a lesser concern to me than the general interest of this parliament and the government. I can only repeat the content of my opening question to the parliamentary secretary. He gave us a very deficient and narrow presentation. I plead with him and his minister to say something better at the committee hearings on behalf of Canada and the national authority.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I regret that I was not present to hear the introductory comments of the parliamentary secretary. However, I wish him to know and to convey to the minister that we believe this is the sort of bill that this country has been waiting for. It is high time we had a bill of this nature. There are many housekeeping matters which must be dealt with in this bill, but I believe it is important that it be considered.

This party, through two speakers, is on record as believing that this is the sort of bill Canada needs for the control of pollution off its shores. As I see it this is in accord with the implementary portion of the bill with regard to the ratification process of a convention so to speak, in respect of the prevention of marine pollution by dumping of waste and other matter at sea, signed by Canada in December, 1972. I believe it is unfortunate in many respects that we should have to wait for an international convention before coming up with legislation to deal with a matter which is so urgent for a country with such a long coast line.

The convention, I believe, was negotiated in the IMCO context, the Intergovernmental Maritime Consultative Organization, and is part of a series of negotiations undertaken by that organization of the trading nations, those nations which ship and receive their goods by sea, so as to improve the rules of the sea over the conditions which existed in earlier years, and looking forward to the 80's. I am delighted there is before us now legislation that would permit us to implement the provisions of that convention, a portion of which is being dealt with in another context. As my colleague from Edmonton-Strathcona said this is part of the Law of the Sea.

Generally when one thinks of the Law of the Sea, unless one is dealing with it in some detail, one thinks of it as defining the limits of the territorial boundaries out to sea beyond the land mass of the state, and then perhaps beyond that into a zone over which the coastal state has some control. My colleague mentioned the vast area beyond that which was once known as the high seas and asked what is to be done about that. Pollution exists out there.

The conference on the Law of the Sea which is meeting at Geneva at the moment is dealing with pollution as well as the definition of territorial and management limits. It is also of course dealing with fisheries within and beyond those limits. Then there is also the matter of mining in the seabed and research into many of the facets that make up the maritime environment, such as research into fisheries, research into current, and research into upper air movements which affect the weather out beyond those areas of national control. This evening I believe it was unfortunate that the sponsor of this particular bill, the Minister of the Environment (Mrs. Sauvé) was not present to introduce it.

[Mr. Roche.]

Mr. Marchand (Kamloops-Cariboo): I rise on a question of privilege, Madam Speaker. My question of privilege is that the hon. member for Esquimalt-Saanich (Mr. Munro) mentioned that the Minister of the Environment should be here tonight. I merely wish to point out that she is with Prince Charles, and is unable to be present.

Mr. Munro (Esquimalt-Saanich): I merely regretted her absence. I was not commenting on it. I just said it is unfortunate she is not here. I am sure she would like to be here to introduce this bill. I know she has left it in the very competent hands of the parliamentary secretary.

There is one element in the bill which fascinates me every time I run into it. I run into it more and more in respect of legislation. It is what I call the overriding clause. We found it the other night in Bill C-25. We found it in Bill C-32. We find this overriding clause, so to speak, in clause 3 of this particular bill. I mentioned that it is contained in four or five other measures passed by previous Liberal governments. It is becoming a habit. I should like to read this article so that it will be clearly understood by the House what the intent of the government is in respect of federal-provincial relations. It states:

> This act is binding on Her Majesty in right of Canada or a province and any agent thereof.

There is no mention of consultation between the federal government and the provinces. It is an overriding mandate which, in effect, says that it is this government which decides, and that the provinces must do what it says. If my memory serves me correctly I believe this is about the seventh instance in which we have had this overriding terminology in legislation. I find this supersedes disallowance which is no longer used. Instead of provincial legislation being disallowed we now have an overriding clause in legislation to deal with the provinces as this government sees fit. I think it is worth dealing with this matter in the committee.

The bill will be going to committee shortly; there is no question about that. When I was asked if I would be interested in intervening in respect of this particular bill I was delighted to agree to do so, but I did not know that it would come up this evening. I took a brief glance at the recommendation which gives a brief summary of what this legislation is intended to do.

● (2150)

It has three or four purposes. The first is to provide for the control of dumping waste and other substances in the ocean. The second is to provide for the establishment of a board of review and to provide that the federal Crown is bound by the measure, and for fines in contravention thereof in the amounts prescribed. That is interesting. Just as this legislation binds the Crown, in right of Canada, it binds the province. Therefore, if a fisheries vessel or a patrol vessel of the RCMP should contravene this legislation, they will find themselves in real trouble. This is a progressive and very good form of legislation.

Finally, the purpose of this legislation is to provide for costs of the federal Crown to repair or remedy any condition or to mitigate any damage, and for their recovery. This is why I think the Minister of the Environment could very well find herself involved in this particular operation. It is under the Department of the Environment in association with the Department of Transport that the clean up operations, particularly respecting oil spills, must be undertaken.

So I do not think it is a matter of surprise that the Minister of the Environment should have introduced this legislation. It could have been the Minister of Transport (Mr. Marchand) or, as my hon. friend suggested, perhaps the Secretary of State for External Affairs (Mr. MacEachen). Basically the object of the bill is to ensure that there is no pollution, but if something is to be done about it, that is an environmental problem.

Now I should like to comment on dumping in general terms. There is one piece of information which I think is well worth putting on the record for those who are busy talking tonight, and who will perhaps read the record tomorrow. There is a rather interesting bit of information which I discovered in my reading over the weekend. I have managed to get hold of a copy of Noel Mostert's "Supership", and account of the construction of super tankers, the problems of living on them, of loading and unloading them, the problems of their navigation, and so on.

I was struck by one particular paragraph in chapter seven of this book which deals with what is left behind in a supertanker, clinging to the walls or the floor of the tanks as they are being discharged. It is rather a frightening thought when one considers what happens to this particular material that is not pumped out of the vessel when it is being unloaded. A vessel carrying 200,000 tons of crude oil will leave behind clinging to the walls of the tanks, one per cent of its cargo, or 2,000 tons. What happens to that crude? If it is left in the tanks, it will generate gases and create a danger for that ship. Ships have been known to disappear following an explosion of this source.

What is happening is that these tanks are sluiced down with water at high temperatures, and when the ship gets far enough out from shore, the tanks are sluiced out and what is left is dumped out into the sea. This is what Noel Mostert is complaining about, and this is what we should be complaining about. It is also worth recording that this same Noel Mostert once sat in the press gallery here. So I commend this book, not only because it was written by a former member of the press gallery but also because it contains a great deal of information that is valuable. The book is well written, and it is readable. It is written on a subject which we should all know about in present circumstances.

Let me come back to the sluicing of the tanks of the supertankers and what happens to the remains. They are thrown out to sea. We are talking about shortages of crude these days. I think measures should be taken to recover what is left of the crude and to have the tanks pumped while the ship is still in port, or preserved and unloaded into a barge that could accompany the ship as it sits out to sea. Some means must be found to recover this discharge, which is noxious, toxic, and causes the pollution that brought about this particular convention.

I will not get very far into this bill tonight, I can see, Madam Speaker. Under the definitions, for example, I find on page three the following:

> For the purposes of this act, "the sea" means
> (a) the territorial sea of Canada;
> (b) the internal waters of Canada other than inland waters;
> (c) any fishing zones . . .
>
> (d) the arctic waters . . .

The arctic waters are well defined in the act. The bill goes on to read:

> (e) any area of the sea adjacent to the areas referred to in paragraphs (a) to (d) as may be prescribed;

In passing I might mention that paragraph (d) which reads "as may be prescribed" is obviously a typographical error and the subsequent paragraphs (f) and (g) should be relettered. There was another definition which occurred in answer to a question of mine not long ago when I was tracing the saga of that magnificent ship *Answer*, which would answer to no call. Not even the Solicitor General (Mr. Allmand) could bring it back. But it looks as though I shall have to call it ten o'clock, Madam Speaker, and there is no answer.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE—INQUIRY WHETHER PROSECUTION OF ILLEGAL STRIKERS WILL EXTEND TO UNION OFFICIALS

Mr. Robert McCleave (Halifax-East Hants): Madam Speaker, I should like to float an idea here this evening and I will smuggle it onto the floor of this chamber by the use of my dissatisfaction with the answer given by the President of the Treasury Board (Mr. Chrétien) to a question of mine the other day. Actually I did not expect anything different from what the minister had replied to me and, given my comic nature, I did not pursue the question with three or four others which would really have shown what I had in mind. But I would like to take the opportunity for a few minutes this evening to leave the hon. gentleman with at least something to think about. I do not expect an immediate reply from him.

My question arose from the recent strike of the blue collar employees and was prompted by two facts. One was that the Public Service Alliance of Canada in its battle with the federal government used as shock troops the employees who did maintenance work. Many of us on our week end forays into our ridings—if we managed to get there at all—were treated to the spectacle of airports jammed with people who were simply not able to travel, as they had normally expected, over one of the busier seasons

of the year. That was part of the story, and I think the bitterness from that is still reverberating in many a Canadian household.

● (2200)

The other part of the story came from another matter I raised in the House recently, and that was that some of the blue collar workers who were a part of the larger alliance—but not the part which was on strike—were prevented from going to work at Willow Park, the army service base in the city of Halifax, and rather than challenge members of the same union and thereby risk some considerable conflict, on the advice of their superiors they did not go to work. They stayed away. For a while the Treasury Board was inclined to dock their pay. Then better sense set in, and those people have been paid.

I think those two different episodes point out that it is psychologically impossible for people who belong to a large union and who are forbidden the right to strike—that is, they are in what are called designated groups—to refuse picket lines. If picket lines are thrust up, or if they are asked to go on strike, it does not matter that the law says they are forbidden to strike. They feel they have to be one with their fellows in the labour union and stay away from work, and yet this clearly flouts the law of Canada.

So I asked whether the government intended not only to prosecute the designated employees for disobeying the law—and I call these people the "Joe Lunch-pail" types—but whether it would go further and prosecute those higher ups, Claude Edwards and other people at the very top of the Public Service Alliance who, from day one in their disputes with the government, have put these people on strike from time to time across Canada. There is no question but that this has happened. We all knew that even before the first strikes occurred, people at the airports would be used on a strike basis and on a selective basis, but on a calculated basis, so that to me the higher ups of the union by putting these people on the strike lines in some way flouted the law.

My suggestion is simply that there should not be people belonging to the same union, some of whom are forbidden to strike, and others who are permitted to strike. If we have to have designated groups who cannot strike, we have to give them a special privilege. We have to give them an opportunity to be represented—but only by themselves—in labour associations. They should not belong to labour associations of which part of the membership is permitted to strike. I know this is a great denial of liberties for such people, but I think it is the only practical solution one can find to prevent the kind of strikes which bedevilled transportation a few weeks ago.

In conclusion, every effort should be made to see that those designated employees denied a rather basic labour right should be given almost continuous attention by the government to see that their pay is never out of line and that their grievances are never left too long before solution. I do not quite know how this could be done, but perhaps it could be done by some special board of labour experts. Unless we do that, the suggested approach of the government to drive up the penalties against designated employees who go on strike when they are not permitted to do so, is a solution that will not work.

[Mr. McCleave.]

Hon. Jean Chrétien (President of the Treasury Board): Madam Speaker, this is not an easy subject, as you understand. When the hon. member put his question in the House a few days ago he asked me if we had prosecuted some union officials. I can report that those who have violated the law have been prosecuted.

Some stewards, local presidents and vice-presidents, a vice-president of a national component and a regional vice-president of a component union of the Public Service Alliance of Canada are included in our application for prosecution for unlawful activities that occurred in December, 1974. At this moment we are processing cases of all others who have acted illegally during the strike of a few weeks ago. It is not for pleasure that we took that course, but the policy of the government is to respect the right to strike for those who have it, and those who do not have it must be prosecuted.

In the past when there was a settlement there was always a kind of compromise by which we withdrew all charges. This time I did not withdraw the charges. I wanted to clarify that situation. Of course, there were some people who were caught in the process in good faith, and as they are members of the union, but designated, it caused some confusion when their friends were on the picket lines. But they knew they were designated. The designation was agreed between the union and the government and every one knew who was designated and who was not. They gambled and thought they were right to gamble, but sometimes we have to draw the line and this time we did it.

I think the hon. member's suggestion makes sense and I will advise him, because I do not have much time to debate tonight, that a good place to make this argument is in front of the joint committee of the House of Commons and the Senate which is to consider the Finkelman report. That will come up very quickly; members of this House and the other place can put their propositions forward and I hope this particular idea will be considered. It is difficult to make a pronouncement on it at this time because the government has not taken a stand on the Finkelman report. We wanted to be fair to members because we were asking them to give us their advice. I did not want to tell them beforehand what I will do, but rather I want to get their ideas.

ADMINISTRATION OF JUSTICE—POSSIBILITY OF AMENDING SECTION 613 OF CRIMINAL CODE IN VIEW OF DECISION IN MORGENTALER CASE—POSSIBILITY OF PARDON FOR DR. MORGENTALER

Mr. Stuart Leggatt (New Westminster): Madam Speaker, I am rising in regard to a question I put to the Prime Minister (Mr. Trudeau) in the House recently dealing with section 613 of the Criminal Code and the ramifications of that section as a result of the recent Morgentaler case in the Supreme Court of Canada.

The jury system has been honoured in our legal traditions since almost the beginning of legal history. We have relied on it to prevent the elite or the state from imposing its view on the community. We have always argued that, in terms of the facts and what occurred in the community, the jury system was the bulwark for the ordinary person

to have protection from tyranny—from the elite. In legal jurisprudence, they have always been the final judge of the facts.

The uniqueness of the Morgentaler case is that, under the provisions of the Criminal Code, the Supreme Court of Canada found that a court of appeal can superimpose not only its verdict on the law but also its verdict on the facts. That becomes an extremely dangerous legal precedent for those of us who cherish the jury system in this country.

● (2210)

In the jury system you perhaps deal with 12 prejudices. With a judge, you may deal with one. I am convinced that, in any fair judgment of the facts when we want to find out what the community standards really are, and in terms of the ordinary experience and ordinary human beings, when we depart from the principle of relying on 12 men good and true, we depart from one of the fundamental cornerstones of democracy in this country. Therefore I urge the government to give serious consideration to that section of the Criminal Code which has been under such severe attack in the Morgentaler case.

There is another aspect to that case. That is not the only thing that is unique about the Morgentaler case. In that case the Crown proceeded with preferred indictment and not in the normal way by preliminary hearing. The defence therefore lost one of the usual opportunities one has in these kinds of cases.

There is something else unique about that case. The court of appeal ordered the lower court judge to impose a sentence upon Dr. Morgentaler before the Supreme Court of Canada had heard his subsequent appeal.

We are looking at a unique situation, one that admittedly rarely occurs. In spite of that, no consideration is being given to a free pardon. I have to ask some questions.

The evidence in the Morgentaler case was that between 5,000 and 6,000 abortions had been done by that doctor. The reason he did so many was because of the confidence the medical profession in the Montreal area had in him. Why were charges not laid in Montreal against any other member of the medical profession for counselling an offence? I think that is a very serious question. I realize the federal minister does not have direct responsibility for this. However, I would ask that his ministry make proper and appropriate inquiries of the Quebec minister of justice as to why other Criminal Code offences have not been proceeded with, investigated, or pursued.

The suspicion remains that this doctor has been made a martyr. I recognize the position of Dr. Morgentaler. Perhaps he wants to be a martyr for a cause in which he sincerely believes. Nevertheless it is wrong for the state to attempt to create this kind of legal precedent and create a martyr in these circumstances.

Again I ask the very serious question, why only Dr. Morgentaler? I am sure there is overwhelming evidence of many others who have done exactly the same. I ask that proper inquiries be made. I ask why more charges have not been laid in the Morgentaler case. Last but not least, why is Dr. Morgentaler not being given an opportunity to receive the American humanist award? There is ample precedent for this.

There is no need for vindictiveness. Admittedly, it is a controversial case. People have very deep feelings on either side of the issue. The unnecessary harshness of the Quebec minister of justice the other day, suggesting that he got what he deserved, is incredible. Surely it is not for him to pass comment on sentences imposed by the courts. That is an incredible statement.

Dr. Morgentaler has requested leave from prison in order that he may receive the American humanist award. On receipt of this reward he will be in such company as Dr. Margaret Mead and the previous Canadian recipient of the award, Mrs. Grace MacInnis. I realize that that is not the direct responsibility of this ministry, but not to allow this man to go from prison to receive that award is a disgrace.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Madam Speaker, the Morgentaler case has become a leading case that will go down into history. Its implications are not only personal but collective. This decision involves human aspects and challenges fundamental principles liable to affect the future of all Canadians. Therefore the legislator must act with care and restraint to avoid taking sides in a case where ethics and the law overlap and we legislators often have to make this important distinction.

Madam Speaker, as the Minister of Justice said earlier in the House, regarding the pardon for Dr. Morgentaler, hon. members will understand that any action by the executive about pardon or the commuting of a sentence must be limited to the rare cases where it is a matter of maintaining the integrity and power of justice. The executive's general power of clemency should not be confused with the power to grant a reprieve in the case of capital punishment where the Criminal Code stipulates an examination of the sentence by the cabinet. The general power of clemency is very rarely used; if it were not, the cabinet would become a court of appeal from the decisions of the Supreme Court.

Naturally, the government studied the consequences of the judgment of the Supreme Court of Canada, which has the power of a court of appeal to reverse a jury's verdict of acquittal and substitute a verdict of culpability, with a view to deciding whether the law should be changed in this regard. According to the government, the decision of the Supreme Court in this case obviously proves that this power of appeal is very rarely resorted to and, consequently, that there is no reason to fear the ruling of the Supreme Court will harm the jury system. The Supreme Court pointed out that this was the first time the power of appeal had been invoked in Canada and that it can be resorted to only in very exceptional cases.

As to the investigation asked by my hon. friend, I think he raised a very interesting point, and without wanting to give an opinion on the decision of the attorney-general who prosecuted Dr. Morgentaler, I am very sympathetic towards someone who is thrown in prison, but I am perhaps a little less so when this person boasts about having violated the law and claims he is proud of it.

This is perhaps a partial answer, but I shall extend the invitation of my colleague with his interesting comments to the Minister—

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member but the time allocated to him is now over.

[*English*]

ABORTION—REQUEST FOR CLARIFICATION OF GOVERNMENT POLICY

Mr. Jake Epp (Provencher): Madam Speaker, some time ago I addressed a question to the government with respect to the definition of health as it relates to the Criminal Code, and specifically to the provision covering abortion.

The definition which had been generally accepted, or which was widespread at the time amendments to the Code were being established, was that the health of the mother meant her physical health and also her mental health. Much discussion and debate have taken place since that time as to the legal and medical definitions which should be operative in defining the health of a mother.

The Minister of Finance (Mr. Turner) who at the time the Code was amended was Minister of Justice, has, along with others, gone further in his interpretation of the law as it applies, or as it should apply, to abortion, and in agreement with the United Nations view he adds that economic and social considerations should be taken into account when reaching decisions as to whether or not legal abortions should be granted.

It is my contention that if we go to this extreme we have in essence arrived at abortion on demand. I do not believe this was the intention of the government, or of those members who voted for the amendment to the Criminal Code. It would constitute, to my mind, the removal of any restriction, and abortion as a crime might as well be removed from the Criminal Code.

● (2220)

In the Ottawa *Journal* for March 6 the Minister of Finance (Mr. Turner) is quoted as follows:

Mr. Turner said because opinion is so sharply divided on the issue—

That is the abortion issue.

—criminal law should not be used to force one moral view over another.

"When there is no consensus, criminal law should withdraw and it should be a personal matter," Mr. Turner continued.

I believe that is an abrogation of the guarantees given by the then Minister of Justice to those who strongly opposed the legalization of abortion. In the few minutes I have this evening I am pressing the government to define in very clear terms, or to undertake amendments to define in very clear terms, what its interpretation of the Criminal Code respecting the health, both physical and mental, of the mother should be or is.

Personally I am very strongly opposed to abortion on demand. I feel that in many of the hospitals at the present time that have established therapeutic abortion committees, abortion on demand is virtually taking place. When I look at the 43,000 plus legal abortions occurring across Canada and at the rapid increase in abortion, specifically at the Vancouver General Hospital where over 10,000 abortions alone were performed, I say that in some hospitals at the present time abortion on demand is already virtually a fact.

Yesterday's Ottawa *Journal* came out with headline "171 abortions after 5 months." Apparently, 171 abortions were performed in Canada after five months of gestation. The Minister of National Health and Welfare (Mr. Lalonde) is quoted as being "deeply disturbed" at this evidence. I do not think he should be deeply disturbed. Surely it was well known to many people that this was happening. Pro life groups have been pointing out for some time that abortions are taking place after a gestation period of 20 weeks plus. They have shown very clearly that some of these aborted fetuses actually live after the abortion, and possibly could have lived had proper medical help been given.

I say it is high time that the government clearly defined its position on the meaning of health. Again quoting the article in the Ottawa *Journal* for April 21:

At this stage—

That is, at 21 weeks of gestation.

—say specialists in the field, the baby is completely developed and could most likely survive outside the mother.

I think the government had become part and parcel of what I would simply refer to as wanton murder. I for one believe that life is sacred and I am very strongly opposed to abortion on demand, something which I maintain is already taking place in some of our hospitals. While this is a thorny issue, I feel it goes beyond political confines to the point where we should ask: how does society look upon itself and its responsibility to protect those who cannot protect themselves?

I was reading that in Manitoba this past week tremendous efforts were made to save twins at The Pas born prematurely. One passed away; the other is still being kept alive. So on the one hand we are doing everything that medical science can do to preserve life, yet fetuses of the same gestation period are being aborted or allowed to die in hospitals. I should like a response from the government as to what is its definition of the law.

One last fact remains. Despite the laws that we might pass in this parliament, indeed that pass the parliaments of other lands, there is a certain law that supersedes the law of man, and that is the law of God. I am asking the government: where does it stand on that issue?

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Madam Speaker, in 1969 Parliament amended the provisions of the Criminal Code concerning abortion. The amendments to the act were a compromise between those who are opposed to abortion and those who do not want any legal obstacle.

In 1972, in reply to a question he was asked, the Prime Minister said: "... your slogan... free abortion on demand... is not mine, and you will have to convince me... if you want me to support the idea... that a person who asks for an abortion has no responsibility. From a certain moment, when you destroy the foetus, you suppress a life... I shall never accept that a person who kills

is not responsible for his or her action and is not required to justify it . . ."

However, the amendment made in the act in 1969 admits that medical reasons may justify abortion. These amending provisions stipulate that an abortion will not be a legal offense when a committee of three qualified physicians of a certified hospital attests that in its opinion the continuation of the pregnancy of the woman would or might endanger her life or her health. It is important to emphasize that the danger for the pregnant woman's life or health is the only criterion in this matter.

If it is proven medically that financial, social or other circumstances endangered or would probably endanger the mother's life or health, a certificate may be given; but the decision must be based on reasons of real danger to life or health, and not on social or financial factors as such.

What is involved is a medical decision, a conscientious medical assessment of whether there is in fact reason to fear that continued pregnancy would or probably would endanger a pregnant woman's life or health.

Enforcement of these provisions is the responsibility of the attorney general in each province. In other words, he is responsible for investigating any alleged violation, and to initiate proceedings under the law.

As far as we are concerned, it is clear that the justification to practice abortion inserted by Parliament in the act is grounded on life and health, and I believe we should rely on expert judgment in this area. If medical committees accept the responsibility and seriously endeavour to determine whether the criteria established by Parliament are met in a particular case, the objective will achieved. The government shall continue to monitor the carrying out of the act, in the context of questions raised by the abortion problem, in order to decide whether improvements are in order.

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, April 23, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

PROPOSED REFERENCE OF FREIGHT RATE INCREASES TO CANADIAN TRANSPORT COMMISSION—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43 concerning further freight rate increases which are being phased in by our railways and which will have an impact on many sectors of the economy in eastern Canada. This action by the railways, following on the heels of a 25 per cent rate increase which already has had adverse effects on this region, threatens to have further economic implications on an already depressed region. Since the railways will be permitted to implement this increase unless intervention takes place, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That the Minister of Transport take the necessary steps to have the matter referred to the Canadian Transport Commission for their consideration and evaluation.

Mr. Speaker: A motion proposed pursuant to Standing Order 43 cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—REQUEST FOR MEASURES TO ENSURE RETURN TO WORK—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an urgent and important matter.

Since the longshoremen's strike in the Quebec ports as well as the inspectors' strike are entirely paralyzing the grain shipment, which does considerable harm to Quebec breeders, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House consider immediately the steps to be taken so that Canadian dockers will no longer be subjected to foreign orders and that the refitting inspectors return to work right away.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

[*English*]

Mr. Baldwin: Mr. Speaker, on a point of order, I wonder whether cabinet ministers would edit their press releases in the House rather than out of it so that we would have them here to answer questions.

Mr. Speaker: Oral questions.

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

REQUEST FOR ASSURANCE INQUIRY INTO ACCOUNTING SYSTEM NOT PRECLUDED BY TERMS OF REFERENCE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the right hon. Prime Minister. Since there seems to be some possible confusion or discrepancies in the statements made by the Acting Prime Minister yesterday and the statements made by the Minister of Transport concerning the terms of reference for the inquiry into the affairs of Air Canada, would the Prime Minister assure the House that the Minister of Transport's discussions with Judge Estey will not preclude the possibility of an immediate inquiry into the accounting system of Air Canada and ancillary matters relating to finance?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have nothing to add to what the Minister of Transport himself said in the House yesterday.

Mr. MacKay: A supplementary question, Mr. Speaker. Would the right hon. gentleman assure the House, as I felt the Acting Prime Minister did yesterday, that since many other aspects of Air Canada's operations have been the subject of frequent complaint, often well documented, he will consider other inquiries if he does not give Judge Estey wide powers pursuant to this particular inquiry?

Mr. Trudeau: I take it that is a representation, Mr. Speaker. I will see that the minister reads it.

[*Translation*]

LAY-OFFS AT CHARLES DE GAULLE AIRPORT—MEASURES TO IMPROVE SERVICE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Prime Minister.

Yesterday I asked the Minister of Transport a question concerning the possibility of 82 per cent of Air Canada staff being laid off at Charles de Gaulle airport and the Minister of Transport undertook to report to the House.

Today, the staff went on strike. I want to know whether the Prime Minister can indicate to the House first of all, if it has become government policy that Air Canada management lay off its staff with a view to assigning its operations to another company, in this case to the "Union des transports aériens de Paris" and second, what does the government intend to do to facilitate the return of passengers who are held up because of the cancelled flight of the DC-8 to Canada which was occasioned by this strike?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of this problem, but I thank the hon. member for raising it and I shall see to it that the department provides an answer.

* * *

[*English*]

COMBINES

PROPOSED TAKEOVER OF ARGUS CORPORATION BY POWER CORPORATION—REQUEST FOR TABLING OF REPORT OF GOVERNMENT INVESTIGATOR

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. When about a month ago the Prime Minister said the government was concerned about the possibility of a takeover of Argus Corporation by the Power Corporation, I asked him whether he would investigate it and he said that was being done. Since at the same time the Minister of Consumer and Corporate Affairs announced that Mr. Robert Bertrand, the chief anti-trust investigator of the government, was going to embark upon an investigation of this specific takeover bid, would the Prime Minister tell the House whether this investigation has been completed and, if so, would the government make the report available to members of the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the investigation must have been an in-department study. I do not know its exact nature, but I can tell the House that my decision announced in the House yesterday afternoon was the result of discussion of the matter in cabinet, and particularly discussion between the Minister of Consumer and Corporate Affairs and myself.

● (1410)

PROPOSED TAKEOVER OF ARGUS CORPORATION BY POWER CORPORATION—REQUEST FOR CLARIFICATION OF PRIME MINISTER'S STATEMENT ON GOVERNMENT ATTITUDE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question relating to the Prime Minister's assertion in the House yesterday and subsequently at a press conference that the government's position on the Power-Argus takeover, as well as any others that may take place before the royal commission brings forth its findings, was a neutral one. Will he clarify that position in light of the judgment of some that by saying he would not prevent the takeover of Argus by Power the conclusion one could reach is that this is, in fact, a go ahead signal to the Power Corporation to make and succeed with such a takeover bid during the next 12 months because they would clearly understand that the government would do nothing?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member says this is a judgment by some, but obviously it is not the judgment by others. It seems to me that kind of judgment would be arrived at by some very tortuous logic. The position of this government is that when we see nothing illegal and we have no policy against a thing, the government should not intervene just for the purpose of stopping it, which would probably be the hon. member's position.

PROPOSED TAKEOVER OF ARGUS CORPORATION BY POWER CORPORATION—REASON GOVERNMENT COULD NOT TAKE ACTION SIMILAR TO THAT IN CASES OF STEVE ROMAN AND HOME OIL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the brilliant logic of the government in the past that led it to conclude that, in the cases of proposed actions in the uranium field by Mr. Steve Roman and in the petroleum field by Home Oil, the government should announce a moral position in advance, indicating that legislation might be forthcoming if a certain course of action were taken, could the Prime Minister, by whatever process of logic he wants, explain to the House why the government could not have done the same in the present circumstances concerning the Power-Argus Corporation situation?

Right Hon. P. E. Trudeau (Prime Minister): For the very simple reason, Mr. Speaker, that in the case of Home Oil the government had and was developing a position on foreign ownership, and in the case of uranium the government had jurisdiction over the area and the legal instrument to act. This involved a matter of defining with some precision our policy for the long term. In the matter of concentrations of economic power, as I explained to the House yesterday, there are some advantages to the Canadian economy in such concentrations, particularly when it comes to competing with large multinationals who operate in Canada, or in other markets in which we are operating. It is because of this, that there may be advantages and disadvantages to this kind of a takeover, the government announced the royal commission and remained, as I said, neutral by not interfering in an area in which it had no legal obligation to act.

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

GOVERNMENT POSITION ON INQUIRY INTO INTERPOL—NATURE OF INFORMATION TRANSMITTED BY ORGANIZATION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Solicitor General.

Considering that Senator Joseph Montoya, Chairman of the America treasury grant sub-committee, is carrying out a thorough investigation into the financing of Interpol and its activities within the United States, an organization which is jointly financed by the United States and other member countries including Canada, can the minister advise the House whether his department is also investigating this international organization which operates in Canada and over which the Canadian government has no control whatever?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, my department is not taking part in any such studies. The RCMP is a member of Interpol which has its headquarters in Paris, France. Interpol is merely a centre for the exchange of information and is not an operational agency. I will look into the other aspects of this question.

[*Translation*]

Mr. Rondeau: A supplementary question, Mr. Speaker.

Is the minister aware that while Interpol disclaims any access to privileged information in Canada, it has nevertheless access to all facilities and information of Canadian police forces and may therefore disclose this information to Communist countries which are members of this organization. My question is this: can the minister tell the House whether he is aware of the sort of information which may be passed on to Communist countries through Interpol?

[*English*]

Mr. Allmand: As far as I know, Mr. Speaker, there are no communist members of Interpol, except perhaps Yugoslavia. As I mentioned to the hon. member, Interpol is an organism for the interchange of information in respect of known criminals. The RCMP will provide information to other countries in respect of criminals who may have had some operations in Canada, and those other countries will provide information to us in the same manner. I know of no basis of information that would support the question asked by the hon. member.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I want to ask a supplementary question.

Can the minister assure the House that the information available to Interpol is not passed to other members of that agency and that the RCMP exercises control over the information given to Interpol?

[*English*]

Mr. Allmand: I will look into that question, Mr. Speaker. I think I should point out to the House that the RCMP have some members of their force working at Interpol headquarters in Paris and the President of Interpol is a former commissioner of the RCMP.

ENERGY

NATURAL GAS—REASONS ADVANCED BY UNITED STATES FOR CHANGE IN TIMING OF INCREASE IN EXPORT PRICE

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the fact the minister said that because of the representations by the United States government at a meeting held in Ottawa Tuesday morning the government will probably reconsider the timing and the price in respect of the export of natural gas and change the August 1 date, would the minister tell us what were the new items brought to the attention of the government by the government of the United States which caused the government to change its mind in this matter.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The United States representatives wished a longer term phasing-in of the price increases in respect of natural gas.

Mr. Gillies: Mr. Speaker, my supplementary is again directed to the Minister of Energy, Mines and Resources. Could the minister tell us whether in the course of these conversations, either directly or indirectly, the United States representatives suggested that with the change in price proposed by the Canadian government there might be some type of retaliation either in the form of capital flows, export quotas on beef and so on brought into play.

Mr. Macdonald (Rosedale): Mr. Speaker, my understanding is there was never so much as a hint of this.

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IMMIGRATION

DECISION OF UNITED STATES TO ADMIT SOUTH VIETNAMESE—POSSIBLE REPRESENTATIONS CANADA FOLLOW SAME COURSE

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. In light of the announcement by the United States immigration and naturalization service that it will admit a maximum of 50,000 high-risk South Vietnamese to the United States has the United States made any representation to Canada to also accept a number of South Vietnamese refugees.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Not to my knowledge, Mr. Speaker.

INQUIRY WHETHER VIETNAMESE GIVEN REFUGEE STATUS

Mr. Jake Epp (Provencher): Mr. Speaker, in respect of those who are leaving South Viet Nam, could the minister tell us whether or not the department considers these people as refugees or whether any statement has been made by the UN High Commissioner for Refugees which would indicate that there is status given these people as international refugees.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have indicated that people

wishing to leave Indo China or South Viet Nam can apply to come to Canada under the refugee provisions of the immigration regulations and would be dealt with on an individual basis and judged accordingly. With regard to the second part of the question, the most recent information I have had from the office of the United Nations High Commissioner for Refugees is that there has not been a formal declaration of a refugee status for people leaving either Cambodia or South Viet Nam, but we are in almost weekly contact with the United Nations High Commissioner for Refugees, and indeed one of my officials will be in New York tomorrow talking with him on that subject.

POSSIBLE USE OF ARMED FORCES AIRCRAFT TO TRANSPORT VIETNAMESE CITIZENS TO CANADA

Mr. Jake Epp (Provencher): Mr. Speaker, my supplementary question is directed to the Minister of National Defence. If Canadian armed forces aircraft are used to evacuate Canadians from South Vietnam will these aircraft also be used to transport South Vietnamese citizens if these citizens would be capable of receiving UN status as international refugees?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we have already used Canadian forces planes to evacuate Canadian personnel from Saigon as far as Hong Kong. We would respond to requests from other departments to make use of these aircraft for other purposes.

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THE CANADIAN ECONOMY

INFLATION—SUGGESTION PRIME MINISTER USE PRESTIGE OF HIS OFFICE TO OBTAIN ACCEPTANCE OF CONSENSUS PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister who looks lonely over there. I should like to ask him, now that his consensus program has reached a crucial stage, whether the government has reached a decision that the Prime Minister should use the prestige of his office and persuasive power to try to persuade the principals in the economy to adopt the Prime Minister's consensus program. If so, is the meeting of the labour leaders on May 7 to be postponed, so that the Prime Minister can attempt, on his return to intervene there?

● (1420)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, perhaps I should explain that the Prime Minister has had to leave the House to participate in some of the activities in connection with the visit of His Royal Highness The Prince of Wales.

An hon. Member: All the royalists have left.

Mr. Sharp: As to the question itself, the Prime Minister and other members of the government have been participating in the development of the policy consensus. I do not think it will be necessary for him to abandon his plans to intervene in this way, but I can assure the House that he is fully in support of the activities of all the ministers in the field.

[Mr. Andras.]

INFLATION—PERSON IN CHARGE OF CONSENSUS PROGRAM IN ABSENCE OF PRIME MINISTER AND MINISTER OF FINANCE

Hon. Robert L. Stanfield (Leader of the Opposition): I was not asking that the Prime Minister abandon his plans but rather whether the government has any plans in this connection. With the Prime Minister going away and the Minister of Finance out of the country, perhaps the Acting Prime Minister could indicate to the House who will be in charge of the consensus program at this crucial stage, will it be the Acting Minister of Finance or the Parliamentary Secretary to the Minister of Finance? I got the impression yesterday that the Acting Minister of Finance is pretty busy trying to figure out a way to get dredging done in the country.

Hon. Mitchell Sharp (Acting Prime Minister): I would just like to assure the Leader of the Opposition that the process of the development of the government's consensus program is continuing, and we see no reason to think that it will be delayed by the absence of the Prime Minister or of the Minister of Finance at the present time.

Mr. Stanfield: I would like to ask the Acting Prime Minister whether it is his hope and the hope of his colleagues that business and labour in this country will take the consensus program more seriously than they themselves seem to.

Mr. Sharp: No, Mr. Speaker.

* * *

OLYMPIC GAMES

POSSIBLE CONTINGENCY PLANS TO SUPPLEMENT LOSS FROM SALE OF COINS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Postmaster General. Because of the fact that the Olympic revenue may be short by some $75 million or more as a direct result of the Olympic coin program, thus further adding to the already incredible deficit of Montreal, COJO and Quebec, can the Postmaster General advise the House of the contingency plans, which I know the government has, to supplement the loss in revenue to the Olympics?

Hon. Bryce Mackasey (Postmaster General): Yes, Mr. Speaker. The figure quoted in the newspaper today of $100 million revenue from the coin program is precisely the figure that was given before the Quebec legislature some months ago. So, we are short $75 million only in anticipation that we would have sold coins worth $175 million. In so far as the second question is concerned, I am hopeful that the government will be advancing acceptable legislation in the not too distant future.

PROPOSAL COMMUNIST CHINA PARTICIPATE IN GAMES RATHER THAN TAIWAN—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a supplementary question for the Acting Secretary of State for External Affairs. In view of the fact Communist China has approached the International Olympic Committee with the proposal that it be accepted to the 1976 Olympics on the condition that Taiwan, which has a fully recognized national Olympic committee, be expelled, and because of the fact that these games will of course be held in this country and the federal government is in fact responsible for deciding who will be permitted into this country, can the minister advise, therefore, whether or not the Canadian government will support the participation of both nations at the games and, if not, what is the government's position in that regard?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, these decisions have to be made by the International Olympic Committee. We are the host for the Olympic games but we do not decide who participates.

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THE MINISTRY

INQUIRY AS TO POSSIBILITY OF CABINET CHANGES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Acting Prime Minister.

An hon. Member: Welcome back.

An hon. Member: What a beautiful tan.

Mr. Hees: It is nice to be missed, Mr. Speaker.

In view of the announcement in the last 24 hours of the shuffle of six deputy ministers in an attempt to make the operation of the government more effective, is it the intention of the Prime Minister, when he returns from the south, to make a similar type of announcement regarding members of his cabinet? It is well-known that the ineffectiveness of the government is due to the operations of the ministers and not the deputy ministers.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is not one of the prerogatives of the Acting Prime Minister.

* * *

FOREIGN INVESTMENT REVIEW BOARD

POSSIBILITY OF ENLARGING POWERS TO DEAL WITH PROPOSED ARGUS-POWER CORPORATION TAKEOVER

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I would like to direct my question to the Acting Prime Minister, in connection with the announcement yesterday regarding the royal commission. Before deciding on establishing a royal commission, did the government consider the possibility of enlarging the responsibilities of the Foreign Investment Review Board in order to put Canadian mergers under scrutiny? It seems to me that that could have been done, and the question of the Argus-Power merger could have been dealt with effectively.

Hon. Mitchell Sharp (Acting Prime Minister): It seems to me that it would have been most improper to have amended the statute, which was directed to the problem of foreign takeovers, or potentially to the question of foreign investment, to apply to purely domestic matters.

Mr. Saltsman: Since the government did not feel it had the authority to amend or to send that as a term of reference to the board, did the government consider coming to the House of Commons and asking the House to amend those terms of reference so that there could be a very quick referral of the Argus-Power situation, rather than waiting for a royal commission to report, which would probably be after the fact?

Mr. Sharp: Mr. Speaker, I think the Chair might have taken some exception to amending an Act, which is designed to deal with foreign takeovers and foreign investment, to include mergers within Canada. Moreover, generally speaking, I think it would be more appropriate to proceed under other legislation, and if we do receive recommendations to that effect and adopt them, we will have no hesitation in bringing legislation before the House.

Mr. Saltsman: Is the Acting Prime Minister saying to the House that he is going to have a different set of rules, or is it the intention of the government to have a different set of rules regarding takeovers, the question of concentration in size as it affects Canadian corporations, as against foreign corporations?

Mr. Sharp: There are various approaches to this. There is no doubt whatever that foreign takeovers can produce mergers and concentrations of power. Those factors are taken into account when decisions are made whether to permit foreign takeovers to occur, but I think that the two issues are separate and should be treated separately.

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COMBINES

PROPOSAL TERMS OF REFERENCE OF BRYCE ROYAL COMMISSION INCLUDE CROWN CORPORATIONS—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my supplementary question is for the Acting Prime Minister.

Some hon. Members: Oh, oh!

Mr. Woolliams: I am glad to see that the hon. member for Prince Edward-Hastings and I receive the same response from the House. I always like to see this equality.

Coming back to my question I would like to ask the Acting Prime Minister whether, in light of the fact that the government is setting up a royal commission to look into corporate power—

Mr. Guay (St. Boniface): Oh, oh!

Mr. Woolliams: I wonder if the hon. member for St. Boniface would keep quiet just for a moment.

I would like to ask if the royal commission is prepared to look into Crown corporations. I ask this particularly in light of the financial debacle of Air Canada and the fact that Air Canada and some other Crown corporations have in the past—this has been brought to light in our committees—had ambitions of various takeovers, and they are, of course, corporate bodies, the same as any other corporation.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as I read the terms of reference of the royal commission, one of which concerns the nature and role of major concentrations of corporate power in Canada, Crown corporations are not excluded.

● (1430)

Mr. Broadbent: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Oshawa-Whitby on a point of order.

Mr. Woolliams: A supplementary question, Mr. Speaker.

Mr. Speaker: One supplementary question for the hon. member for Calgary North.

Mr. Woolliams: I take it that the terms of reference do include Crown corporations, without equivocation?

Mr. Baldwin: Ask your neighbour, Mitch.

Mr. Broadbent: The government and the Prime Minister—

Mr. Woolliams: Mr. Speaker, there was so much noise in the Chamber that I do not know whether the Acting Prime Minister heard my question so I should like to put it again. Do the terms of reference, without equivocation, cover Crown corporations as well as other corporate bodies in Canada? We would like that clarified.

Mr. Sharp: Mr. Speaker, in my previous answer I pointed out one of the terms of reference is:

> ... to inquire into, report upon, and make recommendations concerning:
>
> (a) the nature and role of major concentrations of corporate power in Canada;

In so far as Crown corporations are corporations and are an aspect of corporate power, there is nothing to prevent them being inquired into. The hon. gentleman will realize, however, that those under public control are in a rather different position from those that are privately owned.

Mr. Speaker: The hon. member for Oshawa-Whitby on a point of order.

Mr. Broadbent: Mr. Speaker, since the Acting Prime Minister just quoted from what he called the terms of reference of the royal commission, I wonder if he would be good enough to table that so that all members of the House could see it and also have it appended to today's *Hansard*?

Mr. Sharp: Yes, Mr. Speaker. I only have it in one of the official languages but I can get a copy in French as well as in English. Perhaps, I might have permission to table the copy in English now.

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COMMONWEALTH CONFERENCE

SUBJECTS ON AGENDA WHICH MIGHT AFFECT CANADA—INFORMALITY OF DISCUSSIONS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question was for the Prime Minister but since he has left I will put it to the Acting Prime Minister. With respect to the forthcoming Commonwealth conference to be held in the Caribbean, could the Acting Prime Minister inform the House and the country what areas of discussion are contemplated for that conference which might affect Canada and whether it is going to be an informal discussion with the major concern, as reported in today's press—how does one fire a cabinet minister?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think one of the great contributions of the Prime Minister to Commonwealth discussions is the degree of informality that he has introduced. That was very desirable—

Mr. Hees: Like sliding down a bannister!

Mr. Sharp: And it would be highly desirable that the informality of these meetings should be continued. I cannot say if there is any agenda but I would hope it would be as informal as possible so that there is a free exchange of views.

Mr. Hees: What is he going to do? A handstand on the city hall steps?

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TRANSPORT

REQUEST MINISTER DISALLOW PROPOSED FREIGHT RATE INCREASES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Acting Minister of Transport if there is one in the House today. On February 24, the minister said he was opposed to further horizontal increases in freight rates. Noting that the railways filed an increase set for May 5 which would bring the total percentage increase in rail freight rates to nearly 50 per cent in the first five months of this year, could the minister set an example by exercising the power and authority of his office or the authority of the government in overturning the CTC ruling which might uphold this further increase in freight rates?

Hon. Donald C. Jamieson (Acting Minister of Transport): Mr. Speaker, in replying for the Minister of Transport, I am not altogether certain that authority for railway freight rates rests with the minister except, I believe, in response to some kind of written submission or complaint from users or other citizens. I shall be glad to convey the question to the Minister of Transport, however, and try for a more detailed answer later.

FARE INCREASES BY AIRLINES AND BY CANADIAN PACIFIC FOR COMMUTER SERVICE—GOVERNMENT ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary question. On Friday April 18, the minister stated that he would ask Air Canada and CPAir to reassess their proposals to raise domestic air fares some 8 per cent to 15 per cent with some rising as high as 61 per cent, to be effective on May 19, and that he would also ask CP Rail, which filed a 26 per cent increase in Montreal commuter fares to reassess their position. In order to assure that these different modes of transport will heed the words of the minister, could the acting minister ask him to consult with other members of cabinet with a view to putting some kind of clout in this position and that of the government to show that they are prepared to do battle on inflation and defer these increases where they do not meet or are not consistent with the government's attitude toward inflation?

Hon. Donald C. Jamieson (Acting Minister of Transport): Mr. Speaker, I am quite certain that the representations to which the Minister of Transport referred last week have been transmitted to the airlines. The hon. member also involved commuter fares in his question, but I am sure he knows there is a difference in approach in the filing of fares with regard to air traffic as opposed to rail, so the approach must differ in each case. I can say for myself and for the Minister of Transport that we will make the strongest possible representations to the transport companies with a view to getting them to conform, as we hope others will, with the government's objectives regarding inflation and increasing prices.

* * *

INQUIRY OF THE MINISTRY

Mr. G. W. Baldwin (Peace River): I have a question for the Acting Prime Minister, Mr. Speaker, which deals with his two colleagues, the hon. member for Saskatoon-Humboldt and the hon. member for Langelier who are wandering around western Canada now. Can the Acting Prime Minister indicate which of those two gentlemen will be speaking for the government on questions of transportation?

Hon. Mitchell Sharp (Acting Prime Minister): I am sorry, Mr. Speaker, but I did not understand the purport of the hon. gentleman's question. Perhaps he would put it in a little clearer language.

Mr. Baldwin: With your permission, Mr. Speaker, I am talking about the Minister of Justice and the Minister of Transport. When these two gentlemen make statements at variance with each other, which is speaking for the government on questions of transport?

Mr. Sharp: Mr. Speaker, I am sure I could answer that question better if I had some evidence of the contradiction.

Mr. Baldwin: Which speaks for Transport?

[*Translation*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—MEASURES TO ASSURE SUPPLY OF FEED GRAIN

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to put a question to the Acting Prime Minister.

In view of the longshoremen's strike and, more recently, the checkers' strike which have been paralysing the movement of grain in the ports of Quebec, since also these strikes have caused irreparable prejudice to Quebec cattle producers and since grain handlers are not on strike, may I ask the Acting Prime Minister whether immediate measures will be taken to give easier access to the ports to grain handlers, so that they may proceed to the loading of the trucks which supply mills and through them farmers, because this matter is extremely serious and, on behalf of Quebec farm producers, I would like to ask the Acting Prime Minister to assure that this matter will receive serious consideration by the Cabinet.

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, perhaps I may answer the hon. member's question. We realize how very serious this particular problem is, and it is the government's intention to take as immediate action as possible to resolve this dispute.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I want to ask a supplementary question.

As the Minister of Labour probably knows, injunctions of the court have been issued to clear the access to elevators and these orders were not respected. Can the Minister of Labour say whether discussions were held between his department and the provincial department, with whom lies the enforcement of the injunctions so that they can be respected?

[*English*]

Mr. Munro (Hamilton East): Mr. Speaker, those who have taken out the injunctions are considering the necessary legal remedies that can be taken against those disobeying them. I am not aware of precisely what happened, but I know that type of consideration has been given and is being given.

[*Translation*]

Mr. Lambert (Bellechasse): A last supplementary, Mr. Speaker.

Since the *raison d'être* of a government is to set order where there is disorder, may I ask the Minister of Labour whether this important matter relating to the problem caused by the strikes in the harbours of Quebec has been discussed by the cabinet, whether he considers this problem of national interest, and whether an immediate solution will be advocated to settle it?

[*English*]

Mr. Munro (Hamilton East): Subject to proper consent being given, Mr. Speaker, we intend to move ahead today with necessary legislation that we hope will resolve this dispute. I think this is indicative of how seriously this government regards this particular problem.

● (1440)

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF LEGISLATION FREEZING PRICES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, in the Prime Minister's absence may I direct my question to the Acting Prime Minister. Considering Canada's constantly increasing inflation, does the government intend to back up its bid for price and wage guidelines with legislation which would force business to freeze prices or roll them back. If so, when can we expect the government's prices justification bill?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, that particular subject is under discussion in connection with the discussions that are going on between the government and various economic sectors.

Mr. Stanfield: So, something is going on.

* * *

NORTHERN AFFAIRS

POSSIBILITY OF STRIKE OF NURSES—CONTINGENCY PLANS TO PROVIDE SERVICE TO REMOTE AREAS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in the absence of the Minister of National Health and Welfare I direct my question to the Minister of Indian Affairs and Northern Development. Given the remote location of many northern nursing stations and the difficulty of supplying alternative services in the event of an early strike of federal nurses, a strike which could come as early as next week, will the minister indicate if a contingency plan has been developed to ensure that medical services will be available on a continuing basis to these remote northern communities.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will have to pursue this matter with my colleagues. I understand the majority of these nurses are in designated positions. I assume that would cover our nurses in the north.

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CONSUMER AFFAIRS

ADVERTISEMENT OF SAFEWAYS TRAVEL AGENCY CONCERNING PASSPORTS AND CITIZENSHIP—REQUEST FOR INVESTIGATION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, in the absence of the Secretary of State may I direct my question to the Acting Prime Minister. I have in my hand the April issue of a magazine called *Indo-Canadian.* On page 5 appears an advertisement by Safeways Travel Agency which is laid out in part as follows:

We Arrange Passport:—

Canadian—4 days.

Citizenship: Canadian—30 days.

Mr. McCleave: And all for $5.

[Mr. Munro (Hamilton East).]

Mr. Friesen: Does that tavel agency have a special arrangement with the government. If so, will the Acting Prime Minister tell the House what it is.

An hon. Member: A Liberal lawyer.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the answer to the question is, no, there is no such arrangement.

Mr. Friesen: Mr. Speaker, may I direct my supplementary question to the Minister of Consumer and Corporate Affairs. If there is not an arrangement with the government, will the minister investigate this travel agency, to see what kind of breach of advertising ethics is involved in this particular advertisement.

An hon. Member: Lay a charge.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the officials of my department are already looking at this matter and, as I understand, they are exploring avenues to reimburse people who have been adversely affected. As soon as I have further details I will communicate with the hon. member.

* * *

INDIAN AFFAIRS

POSSIBILITY OF CHARGES BEING LAID AGAINST AUTHOR OF BOOK ENTITLED "BENDED ELBOW"

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Is the minister aware of the publication of the book entitled "Bended Elbow", by a resident of the Kenora area, one Eleanore Jacobson? Has the minister examined the distribution of this book from the point of view of laying charges under the existing hate literature legislation.

Some hon. Members: Hear, hear!

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. Peter Kelly, the president of the Grand Council of Treaty III, gave me a copy of the book. We share his concern. We are looking into the matter, to see what action should be taken.

* * *

POST OFFICE

REQUEST FOR ASSURANCE MINISTER INVOLVED IN NEGOTIATIONS WITH EMPLOYEES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. In view of reservations being expressed publicly by representatives of both the Letter Carriers Union and the Canadian Union of Postal Workers with respect to the inadequacies of Treasury Board as the sole bargaining agent in the current sensitive contract negotiations, can the Postmaster General assure the House that he is continuing his involvement in the negotiations, so that a direct communications chan-

nel is established between employer and employee in these delicate negotiations?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, any mandate which Post Office negotiators have is subject, of course, to Treasury Board approval, as that mandate involves a monetary package. But, according to the spirit of co-operation which prevails in this party, direct negotiations are taking place between negotiators of the Post Office and the Letter Carriers Union, so that the union should have no misgivings about our direct involvement in these negotiations.

Let me tell the House that I appreciate the responsibility of the Letter Carriers Union, which yesterday decided even though they are in a legal position to strike to return to work, at my suggestion, in return for the assurance that we will continue bargaining later this day. I intend to see that that particular promise on my part is respected.

MONTREAL—PROBLEM OF CASUAL EMPLOYEES—MINISTER'S POSITION

Hon. W. G. Dinsdale (Brandon-Souris): May I direct a supplementary question to the Postmaster General, Mr. Speaker. Can the minister inform the House if he is maintaining continuous contact on the issue of casual employees and the suspensions arising therefrom at the Montreal post office.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the other, independent issue, namely, the whole problem of casuals across Canada which is principally a problem particularly for the Canadian Union of Postal-Workers, will be negotiated at the national level when we begin that round of bargaining. The local problem of casuals in Montreal is really not a problem concerning casuals but a problem as to how this difference of opinion which periodically arises is to be resolved. I simply repeat, today, that so long as there are militants in the Post Office who think the proper way of resolving this difference of opinion is through violence, they will continue to be suspended indefinitely as quickly as we note such type of action which I am sure the majority of workers find distasteful.

* * *

FISHERIES

POSSIBLE CONTAMINATION OF FISH RESOURCES BY MYXOSOMA CEREBRALIS—GOVERNMENT ACTION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct my question to the Minister of the Environment. Has the minister, or officials of her department, been in contact with Ontario and Michigan state officials concerning the possibility of contamination of Ontario and Canadian fish resources by the disease myxosoma cerebralis which has all but destroyed the Michigan state hatcheries program?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I am not aware of the details of this. Perhaps the hon. member might direct his question to the Minister of State in charge of fisheries.

Mr. Darling: Mr. Speaker, may I direct my question to the Minister of State responsible for fisheries. May I repeat it, in case he was not listening. Has the minister, or officials of his department, been in contact with Ontario and Michigan state officials concerning the possibility of contamination of Ontario and Canadian fish resources by the disease myxosoma cerebralis which has all but destroyed the Michigan state hatcheries program?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I have asked for further information on this. I will endeavour to give it to the hon. member within the next 24 hours.

Mr. Darling: A supplementary question, Mr. Speaker. Will the minister please inform the House what the federal responsibilities are concerning contamination in a case such as this where natural fish movements across international boundaries could lead to contamination and eventual destruction of entire hatchery and fish populations?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the problem of disease in hatcheries is one of complicated jurisdiction at which we are looking right now.

[*Translation*]

ALLEGED HERRING FISHING BY FOREIGN VESSELS IN TERRITORIAL WATERS

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I have a question for the Minister of State (Fisheries).

Could he answer the question I asked yesterday concerning the problems created by the French, violating our territorial waters in the Gulf of St. Lawrence?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I have been able to control the facts respecting that situation, and I can inform the hon. member who asked me a question on that matter that, indeed, there are French trawlers in the gulf, because of the agreement providing for a progressive reduction up to 1986, and allowing French trawlers to fish, provided they do not increase their fishing effort.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR TABLING OF TERMS OF REFERENCE AND REPORT OF INVESTIGATION INTO SEAFARERS' INTERNATIONAL UNION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Solicitor General. Is the minister ready now to table the terms of reference, or originating document, or the letter from him to the RCMP respecting the SIU probe and also those portions of the conclusions which he earlier indicated he might be able to table.

● (1450)

Hon. Warren Allmand (Solicitor General): I am considering the matter. I am not ready to do that yet.

RENTAL OF SPACE IN CHAMBLY BUILDING—PAYMENT OF RENT BEFORE OCCUPANCY

Mr. John Gilbert (Broadview): Mr. Speaker, my question, too, is directed to the Solicitor General. Is the hon. gentleman aware that the RCMP has rented seven floors of office space in the new Chambly Building at the corner of Cooper and Bank Streets and that though the premises will not be ready until November 1 they started to pay full rent as of February 1 amounting to between $600,000 and $700,000? Is this an example of government restraint as practiced by his department?

Hon. Warren Allmand (Solicitor General): I was not aware that the RCMP was renting that space.

Some hon. Members: Oh!

Mr. Allmand: I would point out that under his terms of reference the Solicitor General is not responsible for the day to day administration of the RCMP.

Some hon. Members: Hear, hear!

Mr. Allmand: I can say that the RCMP is a part of the government which exercises very great restraint in the spending of public funds.

* * *

FINANCE

INTERVENTION OF BANK OF CANADA TO SUPPORT CANADIAN DOLLAR—POSSIBLE CHANGE IN GOVERNMENT POLICY

Mr. Peter Bawden (Calgary South): Mr. Speaker, my question is for the Acting Minister of Finance. In view of the report that Bank of Canada traders officially intervened in the foreign exchange market on Monday, reversing a sharp decline in the value of the Canadian dollar, will the minister advise us whether the Bank of Canada is implementing government policy having regard to the statement by the Prime Minister in the House on the same day that the Canadian dollar was floating freely?

Hon. C. M. Drury (Acting Minister of Finance): I think it is well recognized—it has been stated on a number of occasions—that the dollar is free in the sense of being subject to long term movements in the international marketplace. However, to avoid sharp fluctuations there is intervention by the Bank of Canada periodically.

Mr. Bawden: In view of the fact that this was a fairly massive intervention, one which did reverse the decline of the dollar, would it be true to say there has been a change of policy and that Canadian currency is not now floating freely?

Mr. Drury: I think that would be a wrong conclusion to draw.

[Mr. Lawrence.]

HOUSING

SUGGESTED CHANGE FROM FIVE TO ONE YEAR LEASES TO PERMIT MOBILE HOME OWNERS TO QUALIFY FOR $500 GRANT

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Secretary of State for Urban Affairs. It arises from the fact that many mobile home owners are faced with signing five year leases in order to receive the $500 grant under CMHC provisions. Will the hon. gentleman tell us whether this clause could be amended to read "one year"? This would prevent discrimination against first time trailer home owners.

Hon. Barney Danson (Secretary of State for Urban Affairs): The hon. member has drawn attention to one of the problems which has arisen. The five year land lease requirement was necessary to establish regular residence. The intention is, of course, to avoid subsidizing the purchase of what are strictly travel trailers. I cannot give the hon. member the assurance he seeks right now, but I am looking into the matter.

Mr. J. Robert Howie (York-Sunbury): With mobile homes presently consitituting 13 per cent of all residential housing in Canada, is the minister considering regulations to encourage the purchase of such homes?

Mr. Danson: We already have measures designed for that purpose. I consider mobile and manufactured homes to be a major factor, particularly in some parts of the country, and as a very real answer, temporary in cases, to some people's housing needs.

* * *

INCOME TAX

PROPOSED EXTENSION OF DATE FOR FILING

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of National Revenue. In view of the uncertainty and delay in mail services and in view of the government's own tardy record in supplying T-4 slips on time, has the hon. gentleman considered any extension of the date of submission of income tax returns?

Hon. Ron Basford (Minister of National Revenue): The answer is, no. I am not aware of any difficulties which preclude people from putting their tax returns in the mail, which is the date that governs.

* * *

PUBLIC SERVICE

INQUIRY AS TO CHECK TO ASCERTAIN IF ILLEGAL IMMIGRANTS WORKING AS CLEANERS

Mr. J. R. Ellis (Hastings): Mr. Speaker, I have a question for the Minister of Public Works. Has the minister checked to determine whether any illegal immigrants are working as cleaners in buildings under the supervision of the Department of Public Works or whether any illegal immigrants are employed by building cleaning contractors working for his department?

Hon. C. M. Drury (Minister of Public Works): No, Mr. Speaker, I have not run such a check.

* * *

PUBLIC BUILDINGS

BOURDIGNON BUILDING, VANCOUVER—REQUEST FOR REPORT OF INVESTIGATION OF ADVERTISEMENT FOR LEASE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I wish to direct a question to the Minister of Public Works. In reply to a question addressed to him several weeks ago he undertook to look into the matter of the calling for tenders for space in Vancouver for the offices of the National Revenue Department, taxation division. I should like to ask the minister what action has been taken as a result of the investigation, since there seems to have been no result at the Vancouver end.

Hon. C. M. Drury (Minister of Public Works): I regret to say I do not have the notes with me today, but I will be glad to bring them tomorrow. I thought the subject had been abandoned.

Mr. Clarke (Vancouver Quadra): No.

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CANADIAN BROADCASTING CORPORATION

NUMBER OF REPORTERS ASSIGNED TO PRIME MINISTER'S TRIP TO COMMONWEALTH CONFERENCE—SUGGESTED REDUCTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question was intended for the Prime Minister or the Secretary of State but in the absence of those two members, may I direct it to the Acting Prime Minister? It being now some time since the fact was first mentioned in the House that as many as 22 CBC personnel were asked to cover the Prime Minister's forthcoming journey to the Caribbean, which exceeds coverage by the other sections of the news media by 500 or 600 per cent, can the Acting Prime Minister tell the House whether steps have been taken to curtail this large expenditure of public funds to a level in keeping with the already established news value of the Prime Minister's trips.

Mr. Hees: One man!

Hon. Mitchell Sharp (Acting Prime Minister): The CBC makes its decisions in accordance with what it considers newsworthy. A trip by the Prime Minister of Canada to a British Commonwealth meeting in the Caribbean is considered big news in some parts of this country even if it isn't big news to the hon. member.

Some hon. Members: Hear, hear!

Mr. Cossitt: One further question to the Acting Prime Minister on the same subject. Is the government attempting to use the publicly-owned CBC as a means of propping up its own and the Prime Minister's sagging image?

Speaker's Ruling—Bill C-44

Mr. Sharp: Since the premise to the question is false, it of course requires no answer from anybody on this side of the House. But I suggest the hon. member should not ask so many silly questions.

Some hon. Members: Hear, hear!

Mr. Cossitt: A question of privilege, Mr. Speaker!

ROUTINE PROCEEDINGS

[*English*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES—SPEAKER'S RULING

Mr. Speaker: Yesterday, the hon. member for Winnipeg North Centre (Mr. Knowles) raised a point of order in connection with Bill C-44. The importance of the point of order was amply demonstrated by the rather full discussion which took place in the House and in addition, I hope, by my efforts to come to a decision by eight o'clock. That was not possible, but as a result of further study and examination of the question I am now able to inform the House of my decision on the matter.

The procedural questions in connection with some of the amendments made to the bill in the Standing Committee on Miscellaneous Estimates are important inasmuch as they involve two or three fundamental principles of our procedure, not least of which, of course, is the question of the financial initiative of the Crown. Another question involves the relationship between proceedings in a standing committee and the Chair, and the third involves the relationship between the committee and report stages of legislation.

● (1500)

Dealing with the first point, namely, the financial initiative of the Crown, it is obviously one of our most basic and fundamental procedural principles that only a minister of the Crown may originate legislation which proposes a charge upon the revenue, and then only when last legislation is accompanied by a recommendation from the Governor General. No amendment can exceed the terms of that recommendation, no matter by whom it is moved, and no action taken by the House, by any member of the House, by any standing committee, and least of all by the Chair, must in any way weaken that very basic and fundamental principle of our practice.

The foundation for the point of order raised by the hon. member for Winnipeg North Centre is that subclause (2) of clause 2 of Bill C-44, which was adopted in the standing committee, firstly establishes commissioners who will review future salary changes, secondly advances the implementation of the indexing process from the date originally contemplated, and thirdly expands the concept involved in the indexing itself, none of which was contem-

plated in the original recommendation, and that therefore the amendment ought to be held to be out of order. No serious argument to the contrary was advanced, and in any case, even if there had been one I would have no difficulty finding the point well taken. In my view the subclause is out of order.

The difficult question, however, relates to the action that ought to be taken at this time. In this regard I must stress that the circumstances are unique. There are precedents regarding defects in bills as a result of amendments in committee, but most relate to proceedings in committee of the whole or to other circumstances in which the report stage as we now know it did not exist or was not operable.

Since the report stage is a relatively recent proceeding under our rules, its precise nature is still a matter of some disagreement. There is no disagreement, however, that the report stage is one of reconsideration of events that have taken place in the standing committee. I am sure hon. members are well aware of the extensive powers relating to the retabling of amendments that have been procedurally or otherwise rejected or which have been passed. The power to propose amendments at the report stage and to cause the House to reconsider those questions amply stamps the report stage as one of reconsideration of the events which took place in the standing committee.

There remains the question, however, whether it is a separate stage from the report stage or whether it is a continuation of that stage which begins in the standing committee and which is not finalized until the motion for concurrence is dealt with in the House. Furthermore, if through the process of reconsideration the report stage allows, in effect, an appeal to the House of decisions taken in the standing committee, even to the point as is mentioned in Standing Order 75(6), of permitting the filing of a new financial recommendation—although here, again, I accept the argument that the recommendation now listed at the report stage is in respect of amendments which will be dealt with at the actual report stage. Nevertheless, if in fact the report stage is an opportunity for appeal and for reconsideration of decisions taken in standing committees, then it might be asked, why should the House or the Chair concern itself at all with proposed or alleged procedural irregularities in the standing committee? And if the Chair or the House should concern itself with those problems, what about the timing? Is it appropriate that they should be considered after we have embarked upon the report stage by the actual filing of amendments, or must it be done prior to that point?

Obviously, I am not answering those questions; I am only putting them forward to demonstrate that we have never addressed ourselves to a precise understanding of the nature of the report stage and of its relationship to the committee stage of a bill. I also want to stress that it has been suggested that I send the bill back to the standing committee for further consideration. I make it clear that I have no authority to do so. That is a decision of the House, not a decision of the Chair. That decision may still be taken on third reading. Secondly, it is suggested that if it did go back to the committee, it would have to be accompanied by a direction to the committee to somehow cure its own procedural irregularities. I should not like, and I am sure the House would not like, to have the task of trying to frame that direction, and in any case, if it were a good idea in principle, which I feel it is not, it would be most difficult to find the actual wording.

[Mr. Speaker.]

Finally, this is an extraordinary situation because we have already arrived at the notice of the report stage. Amendments filed by both sides of the House including an amended recommendation, make it clear to me, that the House—that is to say, the whole House—is about to embark upon consideration of those very questions which we would be proposing to ask the standing committee to consider. Therefore, it does not seem useful to suggest that the matter be sent back to the standing committee to consider the very things that the House itself is about to consider.

I do not have the power to order the bill sent back to the standing committee, and I would not do so even if I had the power. For the same reason, I cannot justify simply holding that the bill cannot proceed and then leaving it to the House to try to frame that sort of order.

I wish to make it clear, first of all, that having already embarked upon the report stage and the filing of these notices of amendments and the amended recommendation, no precedent can be taken from this circumstance as to what will happen in the future if such an argument about a procedural irregularity in a committee is made before we actually get to this point. Secondly, there is a necessity for clarifying the very nature of the report stage, the relationship to the committee stage, and also the proper procedure which must be followed if objections of this sort are going to be taken in the future, and particularly in regard to the timing that must be involved. I look for, and accept, an undertaking of the House leaders that this matter will be considered in the Standing Committee on Procedure and Organization at the earliest possible opportunity.

In these circumstances, which I regard as singular, I reiterate that I find the amendment made in the committee, being subclause (2) of clause 2 at page 2 of Bill C-44, in that it has exceeded the original recommendation that accompanied the bill, out of order. Secondly, I reject the notion of returning the bill to the standing committee. Thirdly, however, I cannot allow the bill to proceed, knowing, as I have found, that it contains procedural irregularities.

Therefore, on the basis of precedents which I would be pleased to provide for members who are interested in examining them, I take another course, which is to direct—and I hereby do so—that the procedurally unacceptable amendment, being subclause (2) of clause 2 of Bill C-44, be stripped from the bill and that the bill be reprinted as otherwise amended and reported by the Standing Committee on Miscellaneous Estimates; that notices of report stage amendments now filed be removed from the order paper; and that upon the filing of the reprinted bill, which I will announce to the House when it takes place, the time for the filing of notices of report stage amendments pursuant to Standing Order 75 shall begin to run as though the bill were at that time being reported from the standing committee.

Some hon. Members: Hear, hear!

Mr. Speaker: I take this rather unique and singular step relying, as I say, on the Standing Committee on Procedure

and Organization to examine this problem and to come to some answers as to how we should deal with the matter on a continuing basis. I take the step also because I wish to stress that there are deep differences among members and parties in this House, and whatever course I take should give recognition to the fact that the House should move as quickly and as directly as possible to a debate which would permit full and further discussion of those differences, not only regarding the procedural aspects of the bill but its substantive aspects as well. I have taken this course in order to ensure free liberty by all members of the House to file such report stage amendments as they desire, with plenty of advance notice in order to make sure that all questions are fully and openly discussed in the House.

Mr. Cossitt: Mr. Speaker, I have a question of privilege arising from the remarks made a few moments ago by the Acting Prime Minister. Last Friday the Prime Minister (Mr. Trudeau), and a few moments ago the Acting Prime Minister, referred to questions that I had asked in this House as silly.

Some hon. Members: Hear, hear!

Mr. Cossitt: Mr. Speaker, while I quite realize that I would have a very difficult time to be as silly as the hon. member for St. Boniface (Mr. Guay), I submit this is nothing more than an attempt to hide the giving of embarrassing information. Nevertheless, I believe that any member has a legitimate question of privilege when both the Prime Minister and the acting Prime Minister come into this chamber and mock the democratic process by arrogant, flippant and insulting answers.

Some hon. Members: Oh, oh!

Mr. Cossitt: Surely, Mr. Speaker, there never was a more arrogant or worse government in the history of Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[*Translation*]

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I cannot conceive why the hon. member for Leeds (Mr. Cossitt) chose to put me in the same boat. I would like to say, Mr. Speaker, that if the hon. member for Leeds has doubts concerning himself, for my part, I have none. Anyhow, I would like to indicate to the House that when I ask a question, it makes sense.

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Second report of Standing Committee on External Affairs and National Defence, in both official languages—Mr. Dupras.

Order Paper Questions

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

* * *

[*English*]

LABOUR CONDITIONS

LONGSHOREMEN'S STRIKE IN QUEBEC—TABLING OF REPORT OF CONCILIATION COMMISSIONER

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I should like to table the report of Chief Judge A. B. Gold, conciliation commissioner, in the dispute affecting the Maritime Employers Association and the International Longshoremen's Association, local 1657.

* * *

[*Translation*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Jacques Guilbault (Saint-Jacques) moved that the third report of the Standing Committee on Broadcasting, Films and Assistance to the Arts, presented to the House on Thursday, April 17, 1975, be concurred in.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 924, 1,819, 1,875, 1,912, 1,944, 2,108, 2,132 and 2,216.

Mr. Speaker, if questions Nos. 708, 2,038 and 2,116 could be made orders for return, these returns would be tabled immediately.

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

[*Text*]

UIC—NUMBER OF PEOPLE IN RECEIPT OF UNEMPLOYMENT INSURANCE, 1974

Question No. 924—**Mr. Alexander:**

1. How many persons were in receipt of unemployment insurance payments in each month of 1974, at the time each month (or during the time period each month) in which Statistics Canada took its sample of unemployment levels?

2. In each month, what was the level of unemployment?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1.

Order Paper Questions

1974

Beneficiaries of Unemployment Insurance (1) (000'B) Regular Beneficiaries (2)

	No Earnings Reported (3)	With Earnings Reported	Special Benefits (4)	Total
January	609	40	70	719
February	626	43	75	744
March	605	46	73	724
April	552	43	66	661
May	467	41	60	568
June	395	34	54	483
July	388	25	52	465
August	383	22	51	456
September	327	25	51	403
October	346	28	57	431
November	366[p]	29[p]	54[p]	449[p]
December	488[p]	34[p]	56[p]	578[p]

(1) Claimants who received payment for the same reference week in the month as that used by the Labour Force Survey to determine the number of unemployed.

(2) Regular unemployment insurance benefits including benefits for trainees who have completed their courses but have not found work.

(3) These claimants reported that they had no earnings and were ready, willing and able to work during the reference week. (This category comes the closest to the definition of unemployed in the Labour Force Survey which counts those who are seeking work and did not work at all during the reference week.)

(4) Special benefits include sickness, maternity, retirement, fishing and benefits paid to trainees while on approved training courses.

2. The following table shows the number of unemployed for each month of 1974 based on the Labour Force Survey conducted by Statistics Canada. Unemployment levels ('000) for 1974 (not seasonally adjusted): January, 637; February, 635; March, 599; April, 568; May, 524; June, 469; July, 465; August, 447; September, 431; October, 430; November, 439; December, 597.

FEDERAL-PROVINCIAL PROGRAMME FOR PROMOTION OF BILINGUALISM IN EDUCATION

Question No. 1,819—Mr. Cossitt:

What were the total amounts spent or budgeted over each of the past five years by the government in regard to the federal-provincial programme for the promotion of bilingualism in education and, of these totals, how much went to each province?

Hon. James Hugh Faulkner (Secretary of State): Expenditures under the Federal-Provincial Programme of Bilingualism in Education:

Province	1970-71 $	1971-72 $	1972-73 $	1973-74 $	1974-75 $
Newfoundland	123,485	181,629	224,091	193,331	
Prince Edward Island	101,490	128,905	227,429	184,183	
Nova Scotia	733,615	847,575	953,185	794,088	
New Brunswick	3,694,660	6,664,993	5,766,983	6,524,305	
Quebec	29,986,813	42,600,236	34,165,243	52,404,251	
Ontario	12,164,400	21,438,234	18,230,841	22,248,455	

Order Paper Questions

Province	1970–71 $	1971–72 $	1972–73 $	1973–74 $	1974–75 $
Manitoba	849,557	1,133,693	1,189,253	2,121,525	
Saskatchewan	597,063	432,914	784,269	570,894	
Alberta	865,359	1,075,811	1,026,007	884,404	
British Columbia	883,558	1,018,744	819,857	1,019,025	
National*				1,000,000	
Total	50,000,000	75,522,734	63,387,158	87,962,461	91,299,000**

*Interprovincial Second Language Monitor Programme: no breakdown per province available.
**Forecast expenditures 1974–75

AIR CANADA—NUMBER OF EMPLOYEES IN RECEIPT OF $25,000 A YEAR

Question No. 1,875—Mr. Mazankowski:

What are the names and positions of Air Canada executives making more than $25,000 per year (a) which ones have been (i) promoted through Air Canada ranks (ii) recruited from outside ranks (b) how long has each worked for Air Canada (c) how long has each been in his present position?

Hon. Jean Marchand (Minister of Tranport): The management of Air Canada advises as follows: Information concerning individual salaries of Air Canada executives has traditionally been treated as proprietary. To reveal this information while other Canadian airlines are not required to do so could be prejudicial to Air Canada's position in a highly competitive manpower market. A list of names and positions of Air Canada executives, as well as their length of service with the company is attached. (a)(i)(ii) All those named on attached list may be said to have been promoted through company ranks with the exception of Mr. Y. Pratte, Mr. P. J. Chartrand and Mr. L. M. Raverty. Also, Mr. M. d'Amours began his career in Air Canada as Vice President, Eastern Region and Mr. M. H. Cochrane as Controller. (b) See following list. (c) See following list.

Air Canada Executive Management by Length of Service at March 14, 1975

		Length of Service	Assumed Present Position
G. C. Goode	Vice President—Payload and Operations Control	36 years 8 months	1973
K. E. Olson	Vice President—Purchasing and Facilities	36 years 6 months	1970
H. D. Laing	Vice President—Western Region	35 years 2 months	1970
J. W. Norberg	Vice President—CANAC	34 years 7 months	1974
K. J. Davis	Vice President—Flight Operations	33 years 6 months	1971
D. C. Tennant	Group Vice President—Technical Services	32 years 9 months	1974
C. H. Glenn	Vice President—Fleet Planning	31 years 10 months	1970
J. M. Callen	Vice President—Central and Southern Region	29 years 4 months	1970
J. P. Labrie	Vice President—United States Region	28 years 8 months	1970
F. C. Eyre	Vice President—European Region	27 years 8 months	1974
C. I. Taylor	Vice President—Public Affairs	26 years	1973
I. E. McPherson	General Counsel	22 years 10 months	1966
P. J. Jeanniot	Vice President—Computer and Systems Services	19 years 2 months	1970
*R. T. Vaughan	President	13 years 1 month	1973
H. Kantor	Director, Payload and Operations Control	12 years 4 months	1974
J. W. McGill	Vice President—Eastern Region	12 years 2 months	1974
M. E. Fournier	Company Secretary	8 years	1971
Y. Pratte	Chairman	6 years 3 months	1968
M. d'Amours	Group Vice President—Sales and Services	4 years 7 months	1974
M. H. Cochrane	Vice President—Finance	4 years 5 months	1973
P. J. Chartand	Vice President—Personnel and Organization Development	3 years 5 months	1971
L. M. Raverty	Vice President—Maintenance	10 months	1974

*Joint Secretary—Air Canada and CN, 1962–72.

GOVERNMENT SUBSIDY FOR PRINTING OF "LES PATENTEUX DU QUÉBEC"

Question No. 1,912—Mr. Laprise:

Did the government grant a subsidy for the printing of the book entitled *Les patenteux du Québec* and, if so (a) in what amount (b) to whom was it granted?

Hon. James Hugh Faulkner (Secretary of State): Although not an agent of Her Majesty, the Canada Council has provided the following information: "Les patenteux du Québec" was on a list of Canadian books published by Parti-Pris book publishers in 1974-75, under a Council block grant. Publishers who are awarded a block grant may allocate it across their current publishing program at their own discretion. (a) and (b) Not applicable.

NOTE: Council subsidized in 1973, under its Explorations Program, a photographic study of the various creations of Quebec handymen, hobbyists and home craftsmen, a study which eventually resulted in the publication of "*Les patenteux du Québec*". The grant, worth $6,500, was awarded to Lise Nantel.

CIDA—EXPENDITURES THROUGH CANADIAN COMMERCIAL CORPORATION, 1973-74, 1974-75

Question No. 1,944—Mr. Reynolds:

1. How many dollars were expended by CIDA through the Canadian Commercial Corporation during the years 1973-74 and 1974-75?

2. To whom were the respective contracts allotted and for what goods and services were purchases made?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): 1. The amount expended by CIDA through the Canadian Commercial Corporation is as follows: 1973-74, $55,625,265.71; 1974-75, $69,569,999.03.

2. The analysis required to obtain this information would be prohibitive in terms of time, manpower and financial resources.

ROYAL COMMISSION REPORT ON STATUS OF WOMEN

Question No. 2,108—Mr. Kaplan:

1. How did Information Canada determine the charge of $4.95 for the Royal Commission Report on the Status of Women in Canada?

2. How many copies did Information Canada expect to sell at that price?

3. Was a comparative study conducted on the sale price and, if so, had a price of $2.50 per copy been charged, what greater demand would have been anticipated and what costs savings would have resulted from the greater production run?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: 1. The price was determined in counsultation with the Royal Commission on the Status of Women in Canada according to the rates prescribed by the Treasury Board.

2. 16,471 copies in English and 3,285 in French have been sold since November 24, 1970.

3. No.

NATIONAL DEFENCE—IMPROVEMENTS AND REPAIRS TO BASES IN PROVINCES, 1972-73

Question No. 2,132—Mr. Hurlburt:

For the year 1972-73, what was the dollar value of repairs and capital cost improvements to military bases in (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) Prince Edward Island (h) Nova Scotia (i) New Brunswick (j) Newfoundland?

Hon. James Richardson (Minister of National Defence): The dollar value of repairs and capital cost improvements to military bases by provinces in Canada for fiscal year 1972-73 was as follows:

[Mr. Faulkner.]

	Construction $	Maintenance $
(a) British Columbia	4,664,298	7,227,721
(b) Alberta	6,027,251	9,178,095
(c) Saskatchewan	290,763	2,120,055
(d) Manitoba	1,744,089	2,334,068
(e) Ontario	7,924,030	24,158,615
(f) Quebec	17,411,686	12,519,880
(g) Prince Edward Island	91,775	1,857,916
(h) Nova Scotia	3,336,041	8,245,749
(i) New Brunswick	727,024	4,016,821
(j) Newfoundland	392,420	351,649
Total	42,609,277	72,010,569

CBC BUDGET

Question No. 2,216—Mr. Clark (Rocky Mountain):

Which sections of CBC spent or overspent their annual budget prior to the end of the fiscal year ended March 31, 1975 and, in each case (a) on what date was the budget spent (b) what was the total amount of overspending as of March 31, 1975?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the CBC to supply such details of its internal management and administration.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF SOLICITOR GENERAL—TRAVELLING EXPENDITURE

Question No. 708—Mr. Stevens:

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

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

Return tabled.

MINISTER OF MANPOWER AND IMMIGRATION—JOB PLACEMENT DRIVE

Question No. 2,038—Mr. Marshall:

1. With reference to the "Job Placement" drive announced by the Minister of Manpower and Immigration on February 20, 1975, what are the names of the 34 cities and CMC Centres in which this Programme would be operational?

2. During 1974, with respect to each Canada Manpower Centre (a) how many persons were placed in (i) jobs (ii) training courses (b) how many persons were given mobility grants?

Return tabled.

LIP—GRANTS IN COMPTON CONSTITUENCY

Question No. 2,116—Mr. Allard:

1. What was the total amount granted for 1975 under the Local Initiatives Programme in the Constituency of Compton?

2. How many project applications were (a) submitted (b) rejected (c) accepted?

3. What are the names of the projects that were (a) accepted (b) rejected?

4. What reasons were given by the government for rejecting or accepting the projects?

5. What amount was granted by the government for each such project?

6. How many jobs were created by each such project?

Return tabled.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wonder if I might briefly, on a question of privilege, make reference to three questions standing in my name on the order paper. I am sorry I do not have the numbers immediately at hand. These questions were responded to in a standing committee last night. It is surprising to me that you can get answers in a standing committee to questions placed on the order paper, but cannot get them responded to in the normal way in the House. I wonder if the hon. parliamentary secretary would take note of that. Perhaps other members in the chamber who want answers to their questions should raise them in committee, as opposed to waiting for the parliamentary secretary to respond.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I might say that I am equally surprised.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that all motions stand.

GOVERNMENT ORDERS

[*English*]

ST. LAWRENCE PORTS OPERATIONS ACT, 1975

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING AND RELATED OPERATIONS AT PORTS IN QUEBEC

Hon. John C. Munro (Minister of Labour) moved for leave to introduce Bill C-59, to provide for the resumption and continuation of longshoring, checking, cargo repairing and related operations at certain ports in the province of Quebec.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I might say that I am a bit surprised that this has not been done in the usual way, namely, by way of a request earlier in the day's proceedings. May I indicate that despite the fact that by the rules this should not take place until tomorrow, we are prepared that first reading be given now. We are also willing at this moment to consent to a second reading debate following that motion today. We suggest that the government not ask for any further concessions at this point.

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

Mr. Baldwin: Mr. Speaker, may I just follow up on what was said on the point of order of the hon. member for Winnipeg North Centre (Mr. Knowles). In so far as we are concerned, with regard to future concessions we will consider the exigencies of the situation as they develop and then consider any suggestions that may be made by the minister.

Mr. Sharp: Mr. Speaker, I should like to thank the House leaders of the other parties for the co-operation which I requested. Certainly, we on this side of the House would be prepared to see the bill proceed to second reading debate immediately.

Mr. Speaker: Shall it be so ordered, that second reading be taken forthwith?

Some hon. Members: Agreed.

Hon. John C. Munro (Minister of Labour) moved that Bill C-59, to provide for the resumption and continuation of longshoring, checking, cargo repairing and related operations at certain ports in the province of Quebec, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on another technical point of order. Since we have passed the motion that the bill be given first reading and be printed, I should like to know if that has been done and can copies be distributed to all hon. members?

Mr. Speaker: Order, please. The bill is now being distributed as it has been printed. It was evident that the Minister of Labour (Mr. Munro) proposed to make some initial comments on the bill, and I thought I should recognize him while the bill was being distributed.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would join the government House leader in thanking the House leaders of the other parties and hon. members for their co-operation.

Let me say at the outset that it gives me no pleasure whatever to introduce this emergency, back to work legislation respecting the St. Lawrence River ports' longshoring operations. The government is committed to the free collective bargaining system and this dispute has not shaken our faith in collective bargaining as the most safisfactory method for determining wages and conditions. Unfortunately, bargaining in this dispute discontinued more than three weeks ago, and despite the best efforts of an experienced and respected mediator we were unable to get the parties back to the bargaining table.

Confronted with this situation, the government could have allowed the dispute to take its own course in the hope that eventually the loss of wages and the loss of

business would compel the parties to reach their own solution. This parliamentary intervention in the affairs of the Maritime Employers Association and the longshoremen would not have been necessary had the longshoremen restricted their activities to their own industry and allowed employees of other organizations who were not on strike to do their jobs without hindrance. I am referring particularly to those employees not on strike who are engaged in the movement of grain at elevators on the waterfront.

As members of this House well know, I support the right to strike as a basic freedom of Canadian workers, and I certainly supported the right of longshoremen in this dispute to strike. But I cannot and do not condone illegal activity by strikers and I do not support activity which impinges on the rights of other workers. The actions of certain individuals created an intolerable situation for the feed grain industry and employers and employees not involved in the strike, and placed in jeopardy the livestock industry of an entire province.

● (1520)

I should like to make it clear that labour solidarity is a respected and desirable practice among members of the trade unions. Workers who join longshoremen in peaceful picketing should not be criticized, but it is unacceptable to me and to the government for workers on strike or workers who sympathize with those on strike to engage in acts of vandalism or intimidation. All such activity places the trade unions and collective bargaining in disrepute.

It will, I hope, be accepted that, under the unfortunate circumstances that prevail, the government has no option now but to consider such legislation as is proposed. Let there be no mistake about the government's intentions: while this is the second occasion in recent times that back to work legislation has been or will be passed by parliament, in so doing there is not, of course, the least intention on the part of the government to start a trend or a pattern of government intervention. Indeed, such a trend would be repugnant to this government. I say this so there can be no doubt whatever.

My hon. friend from Hamilton West (Mr. Alexander) mentioned the railroads. May I remind him that they voluntarily came to settlement earlier this year, ensuring peaceful negotiations during the whole of the term of the collective agreement and ensuring continued operation of the railroads. I think this is evidence of how free collective bargaining can work constructively when both parties have a willingness to do so. As I say, it is repugnant for the government to order back to work legislation and to constantly intervene. I say this so there can be no doubt whatever that the course of action which this government has embarked upon is a course of action thrust upon it by the particular circumstances and demands of this dispute situation.

It should also be made clear that this bill is by no means intended to establish a precedent. I want to serve notice on the parties in this dispute, and on the parties in any dispute that may take place in the future, that there is no certainty as to this government's course of action with respect to intervention or the nature of the legislation itself. The parties should not look upon parliament as being part and parcel of the bargaining system, the place where they go to get an extra concession which they could not negotiate at the bargaining table. This is far too often the attempt of one side or the other. Those who attempt to use parliament in this way will be sorely disappointed.

The principal subject matter of this legislation is the dispute between the Maritime Employers Association and the International Longshoremen's Association, specifically local 375, Montreal; local 1739, Quebec City; and local 1846, Trois-Rivières. I will refer later to the secondary dispute which this legislation also concerns. The parties to the principal dispute have been unable to negotiate revisions to their three collective agreements, which expired on December 21, 1974, in Montreal and on January 15, 1975, in Quebec City and Trois-Rivières. The total number of longshoremen involved stands at some 2,400.

It would be pertinent for me to briefly recapitulate the sequence of events that have led to the present situation. The parties met in direct but unsuccessful negotiations on a number of occasions prior to the expiry of their old collective agreements. Consequently, on December 24, 1974, I appointed Judge Alan B. Gold of Montreal as conciliation commissioner under section 164 of the Canada Labour Code. At that time I also authorized Judge Gold to commission an independent study into the matter that is primarily responsible for the present dispute: the longshoremen's job security plan. I will refer to this later.

Between December 30, 1974, and February 24, 1975, Commissioner Gold met separately with the union and the employer and held a number of hearings. Commissioner Gold's report was received on March 14. This report was, as we know, accepted by the Maritime Employers Association but was rejected by the union membership at all three ports. Some two weeks later I appointed Charles Poirier as mediator in the dispute, pursuant to section 195 of the code. But despite Mr. Poirier's best efforts, the longshoremen began legal strike action on March 31, a strike which is continuing to this moment and which is unacceptably damaging not only sectors of the local economy, particularly the agricultural sector that is dependent on the importation of feed grain, but the national economy as well.

It will be noted that the second part of this legislation involves the Maritime Employers Association, local 1657, Montreal, and local 1605, Quebec City, of the ILA—the latter representing some 320 checkers and cargo repairmen. In this instance, the parties were also unable to negotiate revisions to their two collective agreements which expired on December 31, 1974. On March 10, I appointed Judge Gold as a conciliation commissioner and he handed in his report on April 9. As with the other dispute, the Maritime Employers Association accepted the report and the union did not. The union struck on April 17 and remains on strike as of today.

Before referring to the proposed legislation itself, I would like to add some appropriate observations concerning the conciliation commissioner, Chief Judge Gold, on whose reports the legislation is founded. Judge Gold's knowledge in the field of industrial relations is unquestioned; and, equally important, his expertise in industrial relations as practised at the St. Lawrence River ports is unequalled. It is unnecessary for me to provide a detailed

biographic note on Judge Gold, but it would be appropriate to recall that in 1968 and again in 1971 he was appointed chairman of conciliation boards that dealt with the most complex and difficult longshoring disputes. On the former occasion, both parties saw fit to vest in him the powers of an arbitrator and by the following year were able, through the efforts and skill of Judge Gold, to agree to a comprehensive three-year agreement.

It will be obvious from this government's legislative proposals, then, that the government has utmost confidence in the abilities, judgment and expertise of Chief Judge Gold. Indeed, it is certain that without this confidence the government would not now be proposing the legislative provisions it is, writing into law Judge Gold's considered recommendations. The indisputable fact of the matter is that nowhere can be found another individual with the specific qualities which Judge Gold is able to call upon, and most certainly nobody else with the knowledge which Judge Gold has accumulated in the course of his lengthy exposure to St. Lawrence River ports' operations. I can say without equivocation that Judge Gold is respected by both parties to this dispute.

I will now refer to the proposed legislation itself, namely, the St. Lawrence Ports Operations Act, 1975. This legislation is in two parts, dealing separately with the longshoremen and the checkers/repairmen. However, to simplify an explanation of this legislation I will now relate the provisions as they affect both parties. The legislation provides for the immediate resumption of longshoring, checking, cargo repairing and related operations, and for all employees to return to work under the terms and conditions detailed in Judge Gold's reports.

● (1530)

With respect to the longshoremen, this means a change in job security from a weekly to a seasonal guarantee, with provision for weekly wage payments. The new seasonal guarantee, which it is hoped will prove a more realistic and manageable burden for the employers association, is of differing length depending on the port concerned, with Montreal longshoremen being guaranteed 1,600 hours over 40 weeks, those at Quebec City 1,400 hours over 35 weeks, and those at Trois-Rivières, 1,200 hours over 30 weeks. None of the longshoremen, however, retains the weekly guarantee which previously dictated that however much overtime was worked in one week or at weekends, none of these hours would be credited to a subsequent week.

Mr. Speaker, it might be helpful if I were to give the House an explanation of the job security provision as proposed by Judge Gold, which is part of the legislation, according to my understanding of his proposals. The job security clause of Judge Gold operates in two phases. It is based on a seasonal guarantee of paid hours, rather than being based on a five-day week guarantee as it was under the last collective agreement. Each employee is guaranteed 40 hours of pay every week whether he works or not. If work is offered, he must be available or he will lose the call and eight hours of his guaranteed work for the season. If he works more than 40 hours in a week and does not owe any time under the guarantee, he keeps all his hourly income for that week. If he puts in, let us say, 32 hours in a week he will be advanced an eight hour credit and thereby will get 40 hours pay for that week, but he will owe the fund eight hours of work. If in the next week he were to work 48 hours, he would get 40 hours of pay and the extra eight hours would be used to refund the advance he received the previous week. He will also add to this week's income the overtime premium rate of pay.

The second phase of the guarantee proposal of Judge Gold is computed at the end of the season. If an employee has not been offered 1,600 hours of work, the employer will pay the difference at the appropriate hourly rate. If the employee received an advance at any time during the season and did not later make it up, he could owe the fund the same number of hours at the end of the season. He would then be obliged to make a refund to the guarantee plan in a lump sum or to make the payment from his vacation pay or other money owing.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, before the minister goes on, in view of the fact that we did not have an opportunity to study the bill, could I ask him a question?

Mr. Deputy Speaker: This can only be done with the permission of the minister.

Mr. Munro (Hamilton East): May I finish my speech first, and then I will answer the hon. member's question? I would now like to refer to the commissioner's wage proposals which, in my opinion, adequately compensate for the loss of the weekly guarantee. As an example, a Montreal longshoreman will receive a guaranteed minimum, by the end of the contract, of $12,800 a year. He will receive this amount whether he worked or not. This does not count overtime, which is usual. Across the board, the proposals compare favourably with hourly rates paid at any port in North America.

Under these proposals, the current base rate of $5.10 per hour will be increased in four stages to a maximum of $8 per hour effective January 1, 1977. The intermediate increments are of 90 cents—to $6—as of January 1, 1975; of 40 cents—to $6.40—as of October 1, 1975; and of $1—to $7.40—as of January 1, 1976. In percentage terms, the increase would be 19.6 per cent for the first year, 15.6 per cent for the second year, and 8.1 per cent for the third year, for a total of 43.3 per cent over three years.

Earlier in this presentation I expressed my distaste at having once again to use parliamentary procedures to get striking employees back to work. I repeat this sentiment of repugnance at being forced to chisel away at what I and many other people regard as a structural part of Canadian democracy, the free collective bargaining process. But at the same time I must point out that such recourse is a necessary part of our system—indeed, a vital part of our system—which will continue to be used, albeit with the reluctance I have referred to, whenever the circumstance demands it, on an ad hoc basis, such as we are dealing with here. This is certainly the antithesis of compulsory arbitration which, as I have indicated many times, I do not favour and it is contrary to the fundamental principle and democratic elements of the free collective bargaining process. I only hope that in the future the circumstance does not arise as frequently as it has in the recent past.

Finally, Mr. Speaker, I want to refer to certain press reports which would indicate that legislation ordering a resumption of longshoring would not be obeyed. I can understand the disappointment of both the employees and the employers being the subject of parliamentary intervention. It is obvious that one party or the other, or both parties, will not be satisfied with the provisions of the legislation. But this is an inevitable consequence of the failure of the parties to find their own solution. While I can sympathize with the sentiments which lie behind the news reports from the St. Lawrence River ports, I know that common sense will prevail and the longshoremen will go back to work under terms which compare favourably with any in the longshoring industry in this country.

I wish to thank hon. members for giving me the attention they have. I hope that although they have not had time to consider the legislation in detail, through the course of the afternoon they will be able to study it and, I hope, support the proposed action of the government.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would ask the minister for an explanation since this matter came up very quickly. Am I right in my understanding that under the previous agreement, longshoremen were guaranteed a base minimum of 40 hours for some 37 weeks, which works out to 1,480 hours, and that under Mr. Justice Gold's proposal longshoremen at the port of Quebec will be reduced to 1,400 hours, and at Trois-Rivières to 1,200 hours? In the hasty arithmetic I have done, that would indicate that unless there is a great deal of overtime the guaranteed pay that they will receive at Trois-Rivières and the port of Quebec, even with an increase in wages, could be less than they are getting at present. I wonder if the minister has looked at this matter and is prepared to take it into consideration. The minister has said that this legislation will relieve the employers, but I do not think that is its primary purpose.

Mr. Munro (Hamilton East): I would like to check the point that the hon. member has raised, quite rightly, with respect to the ports of Quebec and Trois-Rivières. I would point out, of course, that the guarantee has been increased for the port of Montreal from 1,480 hours to 1,600 hours. I am trying to check whether there was a differential from the previous collective agreement.

Mr. Orlikow: I have a question for the minister, Mr. Speaker. The minister used the illustration of a longshoreman who worked 32 hours in one week and was paid for that, then the next week he worked 48 hours: the eight hours of what was formerly overtime would be charged against the hours of the week before when he did not work 40 hours. At what rate of pay would he be paid for the extra eight hours? Would he be paid at the regular rate of pay, or would it be at overtime rates?

● (1540)

Mr. Munro (Hamilton East): He would be paid at overtime rates. The portion which was normal overtime would be credited to the previous week, but he would be paid at overtime rates.

Mr. Deputy Speaker: Order, please. I would like to make one thing clear. The minister indicated that he would give further information in reply to the question of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). This will not be possible after I have recognized another speaker because the minister, when he replies, will close the debate. Therefore, I hope hon. members will be satisfied if the reply is given at that time. Otherwise, it will have to be done in committee or in the committee of the whole House, as the House wishes.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in rising to lead off the debate on second reading on behalf of my party, I want to say first that my party will support in principle the legislation which the minister has brought before the House. We will support this legislation because, as all hon. members know, my colleague the hon. member for Joliette (Mr. La Salle), along with my colleague from the Créditiste party, the hon. member for Bellechasse (Mr. Lambert), introduced motions a week ago today calling for a special debate, with specific reference to the very serious situation which was plaguing farm producers of the province of Quebec because of their inability to obtain, on a stable basis, sufficient supplies of grain to feed their livestock.

In addition, my party supports this bill for some of the reasons the minister put forward in his brief remarks a few minutes ago. As I said a week ago, I believe all hon. members of this House agree that illegal action on the part of some people involved in an otherwise legal strike cannot be tolerated in this country. However, having said that, we will support this bill. Having made quite clear that this support is a result of our belief that the situation has reached a point of some urgency and that action has to be taken, we say to the minister and to the government that we are not completely happy with the formula the minister is using and which is incorporated in this bill. We are not completely happy with it because, once again, hon. members of this House, no matter to which party they may belong, are being asked to determine among themselves an appropriate award in a very complicated dispute between the Maritime Employers Association and three locals of the longshoremen's union.

I am charged by my caucus with responsibility for the question of labour. We have said before that it is not the function of parliament to try to determine what is a fair settlement between the parties to a dispute. I cannot emphasize this too much. I have here the Gold report which is the basis of the legislation. Admittedly, it is not a perfect copy but I count about 60 pages before I even get to the appendices which Chief Justice Gold attached to it. This report came into my hands within the last few days. I am sure that most hon. members have not yet had the opportunity of seeing it, and they are not likely to have a chance to see it before we have gone through all stages of this bill which imposes upon the parties the recommendations of Chief Justice Gold.

I say to the minister most sincerely that I agree with him when he says it is probably impossible to obtain the services of anyone better than Chief Justice Gold. But that is not the whole question. The question is whether we have a satisfactory approach to this kind of problem. I know the minister's feelings about the importance of the right to strike in a free community. I think he knows my feelings on that, too, and I think we agree that in a

country of free men and women there must be the right to strike. I am sure hon. members opposite will agree when I say that every right has a limitation. It is easy to say repeatedly that we believe in the right to strike, but as a consequence there has not been any need to find a more effective way to settle this kind of difficulty. The minister says that this is the second occasion recently.

Mr. Stanfield: The third.

Mr. Fraser: I know that the minister is referring to only a few weeks ago.

Mr. Stanfield: His memory is short.

Mr. Fraser: I know the minister well, and his memory is better than that; it goes back to before I was a member of this House. He will remember the legislation in August of 1972 which put the longshoremen back to work. He will remember the legislation, when we were both in the House, of the last weekend in August of 1973 which put railway workers back to work. He will remember that in May of 1974, rather than let the grain handlers strike he invoked sections of the labour code to forbid a strike during an election. I do not want to remind the minister of all the unhappy events surrounding that particular dispute. He will remember that in October he introduced legislation in this House to put the grainhandlers back to work. The minister will also remember that in March of 1975 he introduced legislation to put the longshoremen on the west coast back to work. And now there is legislation to put the longshoremen at the three river ports back to work.

The government seems to approach this matter on the basis that it is exceptional. It is not exceptional. It is, to a dangerous degree, beginning to establish a regular pattern. I know that there are hon. members from both sides of the House who will agree with me. We do not have, and the government has not yet seen fit to provide, a mechanism whereby strikes which affect an essential service, where it is intolerable to allow that service to be discontinued, or strikes which affect the national interest in such a way that we have to do something about it, can be dealt with. There is no capacity for identifying such disputes and reporting back to the government so that we know in advance whether we are dealing with a labour-management dispute which is going to affect the national interest and sooner or later parliament will be called upon to take action.

The minister is absolutely right when he says that some parties sit back and do not negotiate as expeditiously as they might, or even sometimes as sincerely as they might, if they know that all they have to do is cause sufficient inconvenience across this country and parliament will step in. This is not always on one side; it is often on both sides. We have not developed—the government has had a number of years to do it, and plenty of evidence that it is necessary—a mechanism whereby these kinds of disputes can be determined in advance as having the effect which everyone in this House knows they will ultimately have. Despite all the rhetoric which may be heard from certain members in this House, the situation finally reaches a point where public opinion builds up to the point that we come back here and take action. Some complain more than others, but everyone goes along with finally using parliament to put people back to work and to impose a settlement.

● (1550)

In committee, at the time the legislation affecting grainhandlers was before the House in October, 1974, the minister will remember that we had a very interesting exchange. It was directed at discussing this very important problem and trying to find solutions. I put it to the minister then that in that particular case they took a conciliation report which happened to favour the union, stated in advance that they would support it, and then asked the parties to continue negotiating. We said at the time that was an incredible position for the government to take, to state that they were going to accept a conciliation report and then ask both parties to negotiate.

I asked the minister if this was a precedent and if future conciliation reports were to be the basis of legislation, and the minister said no. But now we have a conciliation commissioner's report, which I admit is in different form—I see the minister shaking his head; I am going to come to that—and this time management accepted it and labour did not. Once again, however, it forms the basis of legislation. This is something that we cannot properly do, Mr. Speaker. How am I to get through the Gold report between now and committee of the whole, and how are other members to become au fait with the argument?

Mr. Munro (Hamilton East): You said yesterday that you liked it.

Mr. Fraser: The minister is interjecting, and quite properly. As he has said, we have here a conciliation report written by one of the most capable persons that could be found; indeed, there may be nobody more capable. It is also written in such a way that it amounts to a draft of a collective agreement. Some conciliation reports are not nearly as definitive as this one. But I think the minister is in considerable difficulty with this ad hoc method of doing things, namely, bringing in a report and saying, "Here it is". The effect is to ask us to apply our minds to the complexities of Mr. Justice Gold's recommendations and agree, within a few hours, that it is a fair settlement. I do not think that is possible: it is playing a game with ourselves and, if it continues, with labour and management and the general public.

When we had the rhetoric about the right to strike we had a gentleman's agreement, if you like, that at a certain time we would bring in an ad hoc arrangement to take away the right to strike. In many cases, to ask members of parliament to try to determine, in a couple of hours, what is a fair settlement is absolutely impossible, Madam Speaker.

When we look at the merits of this particular dispute it is interesting to note that following the protracted negotiations between the Maritime Employers Association and the longshoremen in 1972, the *Globe and Mail* of April 5, 1972, had a headline which read, "Big pensions, end to featherbedding bring peace to Quebec ports." On an inside page an article read, "Job security, end to featherbedding in Quebec ports pact." At that time, Madam Speaker, we thought these major difficult issues between the parties

had finally been resolved, but the very fact that we are here this afternoon indicates that is not so.

Whatever comfort the government may take from deciding that in the interest of the right to strike no public mechanism is needed, the fact of the matter is that the rhetoric of 1972, and the government's attitude at that time that negotiations had led to a happy conclusion, indicate that we still have not found an effective way of settling these matters when everybody knows that sooner or later the national interest will be affected and parliament will move in.

I can understand why in this particular instance the minister has chosen the Gold report as the basis of the legislation, but I say it is a dangerous precedent. There should be legislation to restore normalcy as far as work is concerned, but determination of the final terms of settlement should be left to somebody independent of this chamber. That is the only proper way to approach this situation, and in the long run only on that basis will both sides to the dispute accept the terms of settlement. They know that we are not in a position adequately to deal with these complicated issues. The questions asked by two members of the New Democratic Party at the close of the minister's remarks indicated just how complicated the issue is in this particular dispute and how difficult it is to get answers. I am sure the minister will try to answer those questions when we get into committee of the whole.

We shall support this legislation, Madam Speaker, but we are going to ask some questions. Surely it is time all hon. members of this House face the fact that we are not taking this action occasionally any more; there is a real pattern of this sort of thing. Everyone engaged in labour-management negotiations knows that in matters which affect the national interest, sooner or later they can expect legislation to sometimes rescue and sometimes impale them, depending on their point of view. As long as we continue this way, there will be a cloud over collective bargaining in the areas of essential services and national interest.

I remember a spokesman for the railway workers saying two years ago that they always negotiated under threat of parliamentary action and legislation. In his opinion that worked against the employees but, of course, in other cases management believe it works against them. In the absence of mechanism to identify labour disputes which affect the national interest or essential services, this pattern will continue. The pressure by unions will be more and more difficult to overcome and more and more demanding as time goes on. In the absence of some sort of program other than this elusive consensus we have been hearing about to curtail inflation, I think we will be back here taking this action again and again. As far as the public is concerned, that is just not good enough. Surely the responsibility lies with the minister and the government for solving these problems in a better and fairer way than we are solving them now. Perhaps legislation could be introduced.

● (1600)

This strike began on March 29. Over and over again members of my party from Quebec, and other members of this House representing Quebec constituencies, have expressed concern about the difficulties farm producers in Quebec are facing. One after another they have risen in their places during the question period and asked, what is the situation; what is to happen; can the government guarantee grain supplies to Quebec farm producers; what will the government do as ships are being diverted and in some cases not being unloaded because longshoremen take the position that some ships and their cargoes are "hot"?

Day after day members on the government side did not tell us what the facts were. They gave no explanation. Certainly, the government gave no indication that this matter would be settled ultimately by legislation. One week ago an extraordinary debate took place as a result of the motion proposed by the hon. member for Bellechasse and the hon. member for Joliette. They are Quebec members. The debate began at eight o'clock and ended just before four o'clock the next morning. Many Quebec members spoke in that debate. The Minister of Agriculture (Mr. Whelan) who admittedly had been engaged on other matters earlier in the evening, returned to the House but did not speak. The Minister of Labour (Mr. Munro) was not in the House at any time during that debate; neither was the Minister of Transport (Mr. Marchand). If you examine *Hansard* you will see that not only opposition members, but Quebec members in general expressed their concern about the situation. The government did not attempt to answer those concerns or indicate what would happen. The remarks of the Minister of Consumer and Corporate Affairs (Mr. Ouellet) are interesting because in them one will not find any suggestion that the situation was so severe that within seven days of the debate the government would ask the House, on short notice, to get on with the business of ending the strike.

In the short time I have been a member of this House I have seen this pattern repeated over and over again. Week after week goes by: the members of the House know that in the absence of a settlement, legislation sooner or later will be introduced. But week after week we do nothing and the damage is compounded day after day. Surely that approach to things is utterly ridiculous and nonsensical. That approach seems to be based on the myth that if only we wring our hands enough and utter enough pious hopes, the situation will go away. In the end, we always act in the same way: we bring in legislation and justify it by saying that the strike affects the national interest or some essential service. But surely those areas ought to be identified well in advance. If we are to bring in legislation four weeks after a strike affecting the national interest takes place, is it not more logical to anticipate such a strike before it takes place, to pass legislation and not allow it to happen in the first place?

An hon. Member: But you can't do that.

Mr. Fraser: An hon. member says we cannot do that because it would interfere with the right to strike. What can be more ridiculous than knowing what you are going to do in the end but not doing it at first and allowing the situation to go on and on; and then, after the damage has been done, coming before the House and saying piously, "We have decided we cannot stand it any longer; we must Act." Is it utterly impossible—I see my friend on the government side shaking his head—to establish a mechanism whereby we can be warned in advance of what is

likely to happen in this field, so that the public, the House and the cabinet may know in advance what will be the ultimate effect if a work stoppage takes place? Should we not say in advance what will be the effect on the national interest? Surely the games we have played lately are not the only way of resolving these problems. Surely even my friends opposite are skeptical. Surely they have not lost complete faith in their ability as human beings to face facts and resolve these disputes more effectively than they are now being resolved.

My party will support this legislation; I emphasize that. There may be certain difficulties connected with the use of a conciliation commissioner's report as the basis for legislation. I have expressed my reservations and I am sure the minister knows exactly what I am talking about. I sympathize with him in this particular dispute. I doubt if any conciliation commissioner more effective than Judge Gold could be found. I also pointed out earlier that the conciliation commissioner's report is in specific terms and, indeed, amounts to the drafting of a collective bargaining agreement. As I said, my party will support this legislation. We will, of course, wish to ask the minister questions about longshoremen's wages, and so on, when we consider the bill in committee of the whole. We shall be pleased to see this debate proceed and, hopefully, end as soon as possible.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, for the fourth or fifth time since becoming a member of parliament I rise to take part in a debate such as we are now engaged in. All the arguments I have heard—and I include arguments which I shall put forward—are a repetition of arguments we have heard on previous occasions. My party is not opposed in principle to getting these ports back in operation. Let me repeat an argument we have made on every previous occasion: if parliament is to legislate people back to work and take away the right to strike and to continue collective bargaining, the terms of that legislation must be fair.

I listened carefully to the hon. member for Vancouver South (Mr. Fraser). He spoke about the public interest and essential services, but I did not hear him recite a list of what is in the public interest or what is an essential service. Surely, therein lies his problem. Who is to say what is an essential public service, and when? Is such a service to include longshoremen, railroaders, garbage collectors and the medical profession? I wish the hon. member for Vancouver South had presented his criterion. I am sure I have touched on the difficulty, on the conundrum which every member of this House must consider. I am sure the Minister of Labour (Mr. Munro) would welcome such a list. We have all been wrestling with this difficulty.

I heard some talk from the member for Vancouver South about identifying problems in advance and preventing strikes before they even happen. This would cause the minister some difficulty, and it is this: employers and employees in those sectors of the economy which might be designated as essential services would say, "We do not need to bargain." One side or the other, or both sides, could say, "We do not need to bargain, because parliament will legislate." If we begin specifying all the essential services in each industry, employers and employees will ask, "What is the use of our bargaining? Let parliament do it." The simplistic approach taken by some people does not grab me. I do not think it grabs anyone else, either, unless it is the hon. member and his friends.

● (1610)

I said the legislation should be fair. It is true the public is upset about industrial disputes and strikes. But I do not believe anyone wishes parliament to legislate people back to work on an unfair basis; and this feeling extends to the farmers with whom I have spoken. I submit, on behalf of my party, that there are provisions in this legislation which are unfair. As I read the news reports, we can assume that the wage award embodied in this bill is acceptable to the employees because, according to one news report, an officer of the union concerned said the wage award was not bad. Since it has been accepted by the employers, I think this portion of the legislation would be agreed on by both sides. This, I submit, is about as far as a government should go in legislating specifics.

I would remind hon. members that the issue of job security is one which arises in virtually all the collective bargaining which goes on in this age of automation. It is crucial. It is of even greater importance than wages and hours of work. In this area, we are being asked to act unfairly; in fact, most employees will be worse off under the proposed legislation than they were before.

A few moments ago I suggested that the public generally, in its desire that something be done about strikes and disputes, does not expect parliament to legislate people back to conditions of work which are unfair. The Gold report makes recommendations in the area of job security which, if I read them properly, are less than equitable. I confess I have not had a chance to read the whole of the report; I have had to rely on news reports. We saw the bill before us for the first time this afternoon, and I saw the Gold report for the first time an hour ago.

From what I have been able to gather from that report, these people, who used to be guaranteed a 40-hour week for 37 weeks, will receive a minimum gross income of $11,840 in 1977 in accordance with the pay increase recommended. From what appears in the Gold report and subsequently in the legislation, even in the case of the port of Montreal, where 1,600 hours a year is guaranteed, the award would amount to $8 an hour in 1977—in other words, $12,800 a year—and at that point the Montreal longshoremen will be $1,000 a year better off than under the old agreement. The "hooker" in all this is that any hours of overtime work from Monday to Friday, excluding statutory holidays, is to be deducted from the 1,600 hours. So one can anticipate a situation in which for three or four weeks during those 1,600 hours the port is extra busy, the employees go on overtime, and at the end of the year they end up having to pay back a fairly large sum of money one way or another as a result of the hours of overtime worked. Even if they are paid at overtime rates, those hours are deducted from the 1,600 hours guaranteed in the legislation.

The situation is even worse at Quebec and Trois-Rivières. The Gold report and the legislation say the workers in Quebec will be guaranteed 1,400 hours. Mr. Speaker, they already had a guarantee of 1,480 hours. Once again,

hours of overtime worked on regular working days are to be deducted from the 1,400 hours. At Trois-Rivières, the number of hours guaranteed is 1,200. Under the old contract it was 1,480 hours. We submit it is unfair to legislate the recommendations of the Gold report in terms of job security. We intend to ask the government to bring in amendments at committee stage to remove this unfairness and to do what was done in the case of the Vancouver settlement.

We can safely legislate the wage award because, as I say, it has been agreed to by both sides, though maybe not in writing. But as to the other matter, we should do as we did in the Vancouver case—provide for the appointment of an arbitrator whose decision would be binding on both sides. The parties could then go back to the bargaining table and work out a fair settlement in the area of job security, a settlement which the arbitrator would apply to both sides.

Argument will no doubt be put forward to justify the position taken by the government in supporting Judge Gold's conclusions as to the differential between Montreal, Quebec and Trois-Rivières. I do not question for one moment the competence or the ability of Mr. Justice Gold. He is probably the best man who could be found to undertake the task of conciliation. But one criticism I have of his report is that it seems to reflect the callous attitude of the Maritime Employers Association as it concerns the situation in Montreal vis-à-vis the situation in Quebec and Trois-Rivières. I say this in light of a statement which appeared in the Montreal *Gazette* of October 29 last. I quote the following paragraph:

"The port of Montreal is doing well and the other two are having difficulties," says one shipping agency president here. "Why should we pay for the others? Let each one stand by itself and if one port has trouble—well then, just close it."

● (1620)

I am sure that the people in Quebec City and Three Rivers will be glad to hear that from the president of one of the shipping firms in Montreal. But surely that kind of callous attitude and state of mind on the part of employers reflects to the detriment not only of the employees but also to the detriment of two of the major ports in the province of Quebec.

May I suggest, as one way to help resolve the difficulties that occur in our ports, that if you had a harbour or port authority which had authority to assign the loading and unloading of cargoes in terms of how many ships go where, when, and how often, there is no question that you could make certain that there was a sufficient level of shipping being handled at Three Rivers and Quebec City and there would be no difficulties. We know that as a result of the natural growth alone of the requirements of the port of Montreal, that port will do well anyway. Any harbour authority that would have control over what shipping is unloaded, at which port and how many vessels should be unloaded, I submit would make it unnecessary to have a differential of this magnitude between the longshoremen at the three different ports.

Another point I want to make is this: I remind, as well as warn all hon. members of the House that when we legislate differentials like this among employees who do the same work, belong to the same union and work for the same employer, a differential that gives one section more than a second section, and that second section more than the third, we are doing nothing but asking for disruption, wildcat strikes and refusal to obey orders given the longshoremen by their own officers, let alone the government and their employers. We will be compounding the felony if we legislate differentials of this nature between these three ports. We will be asking for a great deal more trouble within a matter of weeks or months.

Surely we can do better than this in legislation that is going to take away the right to strike and force these people back to work. As I said at the outset, we are not opposed to the principle of getting these ports opened and operating. But if we are going to do that, we must do it in a fair manner, a manner that does not abuse the people we are sending back to work.

We will have some suggestions to make in the committee. We will be moving amendments if the government does not, and I hope that members of all parties, particularly from the province of Quebec, will receive them with some sympathy. We should do no more than we did in regard to the situation at Vancouver harbour so we do not do violence, in an economic way or in the way of job security, to the men we are sending back to work.

There is another area I want to deal with. It is the issue that brought this matter to a head at the outset, as it did on Wednesday of last week. I refer to the movement of grain, particularly feed grain. In the emergency debate that we had, many questions were asked, I find it passing strange that the Minister of Agriculture (Mr. Whelan) is not here today. Neither is the minister in charge of the Canadian Wheat Board (Mr. Lang).

With regard to the movement of wheat for export or feed grain, there need not have been, and there need not be today, any difficulty, though there may be some inconvenience. I am wondering why the Minister of Labour has not asked the Minister of Agriculture to instruct the Canadian Livestock Feed Board to implement plan C. I do not know whether all hon. members received this little leaflet which arrived in my mail this morning from the Canadian Livestock Feed Board, but any or all feed grain requirements of the province of Quebec can be met whether or not the ports of Montreal, Quebec City and Three Rivers are operating.

There are three alternatives for any buyer or user of feed grain in eastern Ontario and the province of Quebec when purchasing feed grain either directly in western Canada or through various companies. Plan C provides that the grain be shipped direct from country elevators to Granby, Quebec, for example, by rail. In fact, according to the Canadian Livestock Feed Board, when you deduct what you get under the Canadian feed freight assistance act from the total cost of moving feed grain by rail, the cost to the purchaser of feed grain amounts to 31¾ cents a bushel, which is fewer cents per bushel than if the grain is moved in the usual way, namely, from a country elevator to the terminal at Thunder Bay, then from the terminal at Thunder Bay by ship to Montreal, and then by truck from Montreal to, say, Granby, Quebec. Shipped this way, it costs 35 cents a bushel.

Plan B provides for shipping it by rail from country elevators on the prairies to the terminal at Thunder Bay, then by rail from Thunder Bay direct to consumers of feed

grains, bypassing the ports of Montreal and Three Rivers, Quebec or any other port. The cost amounts to 35 cents a bushel after deduction of feed freight assistance.

I bet you a dollar to a hole in a doughnut, Madam Speaker, that there are several hundred, if not one or two thousand, carloads of grain sitting at this moment at the Winnipeg rail yards in normal course of transit to Thunder Bay. I bet you a dollar to a hole in a doughnut that there are three or four hundred carloads that contain barley, oats or feed wheat. It would require one train of 100 to 120 cars a day on each railroad to lay down half a million bushels of feed grain per day in Quebec.

Had the Minister of Agriculture or the minister reponsible for the Canadian Wheat Board instructed the Canadian Livestock Feed Board to require the private grain trade to start moving grain under plan C, or under a combination of plan B and plan C, the day the strike started or even a week after it had started, this strike would have no effect whatever on the people requiring feed grain in the province of Quebec.

I say to my good friends, the hon. member for Bellechasse (Mr. Lambert) and the hon. member for Joliette (Mr. La Salle) that their concern regarding the requirements of agricultural producers in Quebec for feed grain was perfectly right and justified. But they should remember and should tell the farmers of the province of Quebec that the mechanism for moving the grain is there now and always has been there, and that their requirements for feed grain can be met whether or not the ports of Montreal, Quebec and Three Rivers are operating.

Mr. La Salle: Not during the strike.

Mr. Benjamin: I would point out to my hon. friend from Joliette that under plan C of the Canadian Livestock Feed Board, carloads of grain hauled by rail do not go anywhere near the strikebound harbours of Montreal, Three Rivers and Quebec. These carloads are delivered to large feed mills, feed wholesalers or feed retailers in places like Granby and many other locations. They go direct. Under the feed freight assistance act, any additional costs are picked up. There are no additional costs to the feeders in the province of Quebec, be they poultry producers, livestock breeders or what have you.

I point out to the Minister of Labour that the grossest incompetence has occurred on the part of his colleagues responsible for grain movement. I include in that the Minister of Agriculture, the Minister of Transport (Mr. Marchand), and the minister in charge of the Canadian Wheat Board. It is also my opinion that in the area of export grain, the Canadian Wheat Board is doing a magnificent job. It has been and is now bypassing the ports of Montreal, Three Rivers and Quebec City, and except for two ships at Quebec City and perhaps one at Montreal that are tied up, all the other grain for export has been moved by laker from Thunder Bay to other ports where ocean-going vessels have then been loading export grain. My information is that there has been no hold-up or problem in respect of export grain.

● (1630)

I think I know why there is great reluctance on the part of the Minister of Agriculture and the minister in charge of the Canadian Wheat Board to implement plan C or a combination of plans B and C, and that is that this will harm the private grain trade. It is my opinion that the private grain trade is reluctant to implement plan C or a combination of plans B and C because it means that large lots of feed grain will have to be transferred to other shippers or other companies and the private trade which holds that grain will lose some of its premium and some of the other profits it might make through speculation.

I hope at the next cabinet meeting the Minister of Labour will point his finger at the minister in charge of the Canadian Wheat Board and say, "That is what you get for taking feed grain out from under the jurisdiction of the Canadian Wheat Board and putting it on the open market." The private grain traders who operate out of the Winnipeg commodity exchange, and some who operate out of Montreal, Three Rivers and Quebec City, are not interested in the emergency movement of grain by rail or by a combination of rail and the Thunder Bay terminal. They are not interested in that because it means they will lose some of their premiums and some of the profiteering they do on the open market on the backs of the farmers of both western and eastern Canada.

While this whole issue of the supply of feed grains in Quebec is serious and of legitimate concern to members of parliament from that province, we should remember that the shipping alternatives were there, are there now and always will be there. They have not been used.

This brings me to a further point. When we get into a situation like this, even when there is no strike but suddenly a surge of export sales or a surge in the requirement of feed grain because something has happened to the United States corn market, or some such thing, we need a transport controller who can say to the railways that they will each have to place 500 boxcars in service for the movement of grain, and the locomotives required to move those cars to eastern Canada, so that the grain is moved by rail. He should say to the railways that they have two choices: it is compulsory, or they have to do it. The machinery is there, the equipment is there, and the grain is there.

If the Canadian Livestock Feed Grain Board's figures are right, then with the benefits of the feed grain assistance measures it would be cheaper for the users of feed grains in the province of Quebec to ship it by rail all the way from Moose Jaw than to run it through the terminal, down the lakes and up the St. Lawrence Seaway. I suggest it would be cheaper by three or four cents per bushel.

What is the government doing today? I submit this is the old divide and rule game that is going on, keeping the workers fighting with the farmers, and vice versa. The mechanism is there, but it has not been used. The Minister of Labour is the one who is stuck here; his colleagues who are responsible for this situation do not even have the courage to come into this chamber. The Minister of Labour is left to hold the bag in piloting legislation through the House that runs against the grain of every member who has any respect for the right to strike and the right to free collective bargaining. The minister is stuck with this and it is about time he started throwing his weight around in cabinet. The next time he is asked to do something like

this, he should tell them they can take his job and give it to somebody else.

The grain issue in respect of this strike situation is as phony as a three-dollar bill. There are other reasons why the government feels it has to legislate and other reasons why members of parliament feel we are now faced with a situation in respect of which we have to do something; but as far as I am concerned those reasons have nothing to do with grain movement. The private grain trade is the fly in the ointment in respect of this whole issue of grain movement and the supply of feed grain in the province of Quebec. I hope this situation will teach the government a lesson. I hope it will show them how effectively they have allowed themselves to be prevented from doing something toward minimizing the impact of this strike on the public.

We submit this legislation must be changed so it is not unfair to the longshoremen. Let me suggest to the minister that unless I am incorrect in my understanding of the Gold commission report and the bill, surely he does not want to proceed with the implementation of the Gold report in respect of job security. While I agree it would be extremely difficult, if not impossible, for us in a matter of hours to come up with a specific alternate solution, I submit that this legislation should read the same as the legislation which put the dock workers back to work at the port of Vancouver.

This legislation should appoint an arbitrator to go into the whole matter of job security and his decision should be binding on both sides. That certainly could not be worse than what is in this legislation or what is in the Gold report. Surely, after examining both sides and examining carefully what Judge Gold had to say, the arbitrator could come up with something better than a differential between the ports of Montreal, Three Rivers and Quebec City. That is just intolerable. I am sure the minister would agree that to require the men in the other two ports to work with much less secure positions than those in the port of Montreal is intrinsically unfair, and I would be surprised if he wanted that particular provision in this legislation. I hope that in the next hour or two he can persuade his colleagues in government to amend the legislation so that it is not necessary for us on the opposition side to do it.

Failing that, and if the legislation as it now stands is passed, then mark my words: if you think you have a mess now in these three ports, just wait a few more months. Employees at the low end of the scale will not stand for this, and I suspect that if we were in that situation we would take the same position.

This brings me to the point on which I should like to conclude. I understand and sympathize with the hon. member for Vancouver South—we all do—when he says there must be a better way of settling industrial disputes and providing a mechanism or a system which sets out what is and what is not an essential service. I defy anyone to come up with a list in that regard which would receive significant acceptance in our society by both the employer and the employee. We in the New Democratic Party submit that if you wish to obtain ready acceptance on the part of the great majority of people, you need an incomes policy that does not pick on those at the lower end of the scale but starts at the top when it comes to showing restraint.

The other day I read some material which suggested that a family consisting of a husband, a wife and two or three children in the city of Toronto, with only one car and an average home, hoping that one or two of those children would go to university, could not expect to make it on less than $15,000 a year. But the minister and the government tell people on wages of $7,000, $8,000, $9,000 and $10,000 a year what they are going to get, or to show restraint while those on high incomes continue to do well. This legislation, I submit, will aggravate disparties in the longshoremen's group at these three ports. If you expect that they will hold still, stand up and say, "Aye, aye" to the Minister of Labour and the Parliament of Canada, that will not be the case.

● (1640)

The Acting Speaker (Mrs. Morin): Would the hon. member for Regina-Lake Centre (Mr. Benjamin) allow a question?

Mr. Benjamin: Certainly.

Mr. Munro (Hamilton East): Madam Speaker, when I was talking about gross incomes in excess of $12,000 under this legislation, I was referring to what the guarantee worked out to; I was not talking about the average earnings at these ports. If the hon. member wishes to talk about the average earnings, I would ask if he is aware of the distinction. The average earnings are substantially higher than the guarantee in respect of straight time.

Mr. Benjamin: I appreciate that. I was talking about the minimum, because the overtime earnings under the old agreement would be, on average, higher than the minimum. But now, under this legislation, the job security provisions provide that in Montreal the hours of overtime will be deducted from the guaranteed 1,600 hours. This may not hurt the Montreal people too much, but those in Quebec City whose guarantee is only 1,400 hours in the Gold report already had 1,480 hours guaranteed under their old agreement.

The situation is even worse in Three Rivers. Does the minister think the men working in Quebec City will be happy when they see what is happening to them, compared to the people in Montreal? This situation will apply even more so in respect of Three Rivers compared to Quebec City and Montreal. If I understand the legislation correctly and the guaranteed number of hours of work, many of these men will find themselves in a bad situation at the end of the year when they have "X" number of hours overtime deducted from the guarantee of 1,400 hours. They could even find themselves in the position of having to repay some money or having their holiday pay money held back in the amount that is in excess of the guarantee.

If I am mistaken in this, I hope the minister will explain it in the committee. I do not think I am mistaken because I have not heard any response; but if I am, I hope we will have a more detailed explanation. If I am correct, then surely the minister can agree to do no less than was done in the case of the Vancouver port strike settlement and

leave it, as the hon. member for Vancouver South said, to someone outside this chamber and the government who will arbitrate and bind both sides to something that is much more fair than this legislation.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, after waiting for 15 days and repeatedly attacking the government to inform it about an exceedingly serious situation in the province of Quebec, especially as concerns feed grain supplies for farm producers, the government has finally understood that the situation is truly urgent, even after negating this urgency.

I remember that in all good faith, all hon. members asked many questions, sometimes to the Minister of Labour (Mr. Munro), sometimes to the Minister of Agriculture (Mr. Whelan), in relation with the consequences of the longshoremen's strike in Quebec ports.

I understand that the ministers did not have to give us all the information that they had when we asked our questions, but I also understand that Parliament must be kept informed as much as possible about situations which interest the whole population, whether they affect producers or consumers.

I have always thought that a government exists in a society to put order when problems are caused by conflicts between the various categories of persons, associations or workers of a country. And I have never thought that when the government acts, it is by introducing an oppressive measure concerning one class instead of another.

I do not believe that the bill now introduced by the Minister of Labour falls into this category. It is an extreme measure, aimed at finding a solution to allow the continuity of a production required by Canadians and to prevent considerable losses for several types of farm producers who are fed up because they cannot get supplies.

On April 9, Madam Speaker, because I was aware of this situation and had received many telegrams from farm producers and their associations in the province of Quebec, I had taken it upon myself to present a motion under the terms of Standing Order 26 to ask for an emergency debate. The Chair had decided to adjourn the holding of such a debate.

However, the situation having deteriorated in the following days, I returned to the charge on April 16 with a similar motion, at which time the Chair decreed an emergency sitting.

During that debate, Madam Speaker, I endeavoured to show what the situation really was, even to the extent of quoting authentic figures on the quantities of feed grains available at the elevators in the port of Quebec City. At that time I refrained from quoting figures on Trois-Rivières or Montreal elevators, because there was no need for it. There was no way feedmills could get into both ports and have their supplies in a normal way.

● (1650)

I regret that the Minister of Agriculture is not here, but anyway if my remarks do not agree with the information published in newspapers, I know beforehand that he will correct remarks published by the press.

Since he was not present at the outset of the April 16 debate, newspapers reported that the Minister of Agriculture said this:

An emergency debate never moved grain.

I also know that such a debate never moved grain. Every member knows that. Such was not the aim of the debate, but rather to allow those moving it to have access to the ports and to obtain that longshoremen fulfill their duties, discharge their responsibilities by unloading the ships and loading the elevators.

In view of the serious situation prevailing, I thought we had a duty to act in that way. I realize more than ever that we were right in so doing. Not only did we draw the government's attention, but we also gave hope to people, organizations and farmers victimized by the situation.

Today, on this 23rd of April, the situation is no better. I suspect the Minister of Labour (Mr. Munro) must have been informed. Right at this time, there is in Quebec City's elevators 48,000 bushels of wheat, 45,000 of oats, 48,000 of barley, 396,000 of corn. That does not mean that every teamster, every miller coming to Quebec City's port will have its truck loaded with grain. This grain belongs to a few millers, Out of the hundred, two or three only can get their supplies. They could do so, as a matter of fact, but they no longer can since the checkers have also gone on strike. The latter struck and are now keeping the trucks owned by the millers from picking up their grain in the port of Quebec City. The situation is even worse than that. They even stop the owners of the feed grains from picking up their own feed, their own property.

On the other hand, a grain barge entered the port of Quebec. The grain handlers are unloading it, just the way it is done on the black market. This is no joke: in Canada, right in the port of Quebec City, the oldest port on the North American continent, labourers are forced to work as if we were at war, on the sly, as if for a black market. And that goes on in 1975! That means the situation is extremely serious. In this case we are concerned with supplying the domestic market. The longshoremen have nothing to do with that, not even normally. They are there to unload the ships, the ocean liners. In the case of barges that transport goods for the Canadian market, it is not up to them to load or unload them. In this case, we are dealing with grain handlers. They perform their work with great difficulty. We are left then with trucking. The former speaker, a while ago, mentioned the possibility of transport by truck or by rail.

I would like to give some particulars on the great transport opportunities by truck or by rail and the supplies needed in Quebec and then we could see whether it is urgent for Parliament to pass that bill.

According to the information that I obtained today, it is related to a question asked yesterday in Quebec City to the Minister of Agriculture. On April 22, the Minister of Agriculture stated in answer to a question that 150 railway cars reach the province of Quebec every day.

We went to the sources of information and checked further. It was revealed that in the last nine days, a daily average of 48 cars—a far cry from 150—were dispatched to the ports of Quebec, each car containing some 2,000 bushels or a maximum of 2,500 bushels.

Two injunctions were therefore requested by the Trois-Rivières Feed Mill Owners Association. The injunctions were not obeyed. Since the volume of grain moved is not as told, injunctions are sought to get supplies from a port where there is an abundance of grain; according to my information, there are actually in the port of Trois-Rivières, 1,300,000 bushels awaiting takers. A large quantity of those 1,300,000 bushels belong to feed mill owners, grain that was bought in December or January, that is ready for delivery but out of reach.

This morning, on April 23, again in the province of Quebec, the port was exceptionally crowded; even taxis could not pick up passengers arriving on other ships. That means people were coming and going in the port, but the movement was not such as to allow farm producers and feed mill owners to get grain supplies.

The weekly consumption of feed grain in the province of Quebec amounts to 2 million bushels. One can readily appreciate the predicament in which Quebec producers are. They are concerned, and duly so.

We can read in newspapers that feed grain shortages causing irreparable wrong to Quebec livestock producers. Some people think that we are joking, that hogs could never eat one another. That is quite normal. When there is not enough food to go around, all hogs in the pig sty will fight and the big ones will eat the small ones. That is the normal way for hogs to behave in society; we must call things by their names.

However, when reasonable men who are endowed with intelligence, judgment and experience are behaving exactly the same way, I say this is unacceptable! Well, if such things are unacceptable, we must take steps to prevent them, for they must not occur. To prevent that, we must ensure the sound distribution of goods and of whatever is required for production and consumption. I think that it is the duty of the Minister of Labour (Mr. Munro) to find a temporary solution. However, while temporary, I would not like that solution to be a drawback for the workers. I understand the workers have rights but they also do wrong, just as we do in certain other areas of society. It must be understood that we have rights andthat sometimes we do wrong when we do not fulfill all our responsibilities.

So the government's role is to keep a lookout, to check what exactly is going on in every field of human endeavour, so that we respect each other, so that we act like men do, like intellegent men do. I would not like to read in the newspapers tomorrow or the day after that the hon. member for Bellechasse or still Parliament have declared war on workers. Absolutely not! I respect the right to strike as a fundamentel one. It is endorsed by law. But when it is time for a collective agreement to be renewed, when we fail to come to an agreement and when talks are dragging on, then it is imperative that an authority intervene and try to conciliate disagreeing parties and see to it that lengthy discussions do not cause considerable damage to other workers in the same society.

● (1700)

It is in this spirit that Parliament must consider today's legislation to which we did not have the opportunity to give much consideration because we just received it, along with the report of Judge Gold, conciliation commissioner. We have had precious little time to study it. Still parliamentarians should not be expected to perform miracles, to try to become acquainted with a bill or a document before they receive it. One must be reasonable. I surely hope that during the procedure in committee of the whole the minister and his officials will be in a position to answer the questions that will be put to them by members so that, if necessary, amendments can be made to the bill so as to make it fair and efficient.

Madam Speaker, this morning someone asked me why the Agricultural Producers' Union—which, all things considered, is a labour union—did not itself take an injunction against longshoremen in the ports of Quebec City, Trois-Rivières and Montreal. I think that might have been possible. I think that might have given results a little sooner. But let us imagine ourselves in their shoes—workers against workers coming face to face. They both have rights, they both have obligations. So, in a given situation there is a confrontation and one of the two unions asks the court for an injunction to prevent the other from exercising its right to strike. Such situations are extremely difficult. I do not say it is impossible but I do say it is difficult and I think that although it is difficult it might have been normal to try that procedure, not to place those people in conflict, a potentially dangerous confrontation, but to test our policies in such a situation because I think for my part that, to my knowledge, it is the first time such a thing occurs.

Given the gravity of the situation, associations, particularly the APU, turned to Parliament. Will we, parliamentarians, try to turn to others to avoid our responsabilities? I say no. I say we must take our responsibilities because the interest of the whole community is at stake.

During the weekend I saw with my own eyes 36 calves killed, hooked on a cable along a road because they cannot be delivered on the market, nobody wants to buy them. Everything is disorganized, and the ravens will eat that meat, and this fall people will not be able to buy meat.

But if this is a recurring situation, it means that we shall be wasting a possible production which might be needed in six or eight months. Same thing with respect to egg production. We heard about eggs at length last year. We even had a special committee of the House which met a number of times to study egg marketing. Well, if this situation is allowed to go on, I think they will no longer have to have special meetings on egg marketing, for considering the number of hens sent to the slaughterhouse for want of feed, I guess the problem of egg overproduction or marketing will no longer arise. And we have the same situation in respect of poultry meat.

Now, with respect to all those equally serious questions, even if it hurts, even if we may be somewhat unpopular for a while, even if we give workers the impression that we are passing legislation to force them to do something against their will, I answer that when we think back upon it, after we have had the advantage of analysing every situation, we will all agree that those measures were necessary and even in the interest of workers.

I wish us to have the common weal in mind throughout this debate. I personally do not want to accuse anybody. I do not hold anybody responsible for the present situation,

but I will hold our Parliament and government responsible tomorrow and on the following days if, in the light of the situations we are witnessing, we do not amend our labour code so as to have a permanent mechanism at our disposal to make conciliation and the renewal of collective agreements easier, instead of allowing situations to deteriorate. We should heed from day to day the progression and the way of looking at things, the way workers put their claims, and the way employers answer workers' demands. Workers are not the only ones involved, Madam Speaker, there are also numbers of heartless employers, people who do not want to admit that they should not operate only to make profits, but that consideration should also be given to services to be provided to people. We must admit that those who contribute to assure these services or to produce this or that product also have rights and that these rights must be recognized. The employers are not sensible enough to recognize them in practice. It is therefore the government's duty—and Parliament's duty, since it is the supreme authority in this country—to pass legislation which will force these heartless organizations to be more reasonable.

● (1710)

I heard today on the radio a statement of the right hon. Prime Minister of Canada (Mr. Trudeau) on cartels and large corporations, and I understood that a commission would be formed to study what goes on in that field and that the government will also introduce legislation establishing the regulations these cartels and large corporations will have to comply with. I hope it is true, but I would not want another inefficient piece of legislation. We have the anti-combines and anti-cartel acts, but they are practically never enforced, and the penalties are so small that when the companies that openly violate these acts are convicted, they do not care a bit about justice because the penalties are so small.

We need a sharp-edged legislation, so that when a corporation is sued for having violated the law, for having abused the public or for having made excessive profits to the detriment of workers, the legislation will be enforced to teach a good lesson to the others who would be tempted to do the same. That is called an efficient Parliament, a government which is aware of its responsibilities and which is willing to assume them.

One must not only create the impression that something is being done, that legislation is being passed, but those laws must not become a dead letter. We must have operative and effective laws upon which all Canadians may rely. So I hope that once this bill is passed we do not remain idle saying that everything has been done. No, we will have to work to improve bargaining conditions in all areas so as to avoid those strikes that plague this country. It is discouraging. It has come to the point where people are worrying about the future, asking themselves what is going to happen or whether such or such service will be working.

We do not live within a stable society. And such an unstable society involves small cells of disruption. Those who set up cells are allowed to disrupt society, to organize revolution without admitting it but through very active means. We give them tools without knowing it. To govern is to foresee, to look after the common good as far as it is humanly possible to do so.

I believe that in such a situation, we will take the trouble of scrutinizing the law. That cannot be perfect, it is made by men and therefore can be changed by men. We will try to scrutinize the law to see if it is really effective. Are we going to do injustice to a given class of people? Is it worth while doing so, so as to progress and enable other classes of people, of producers to keep on playing their part? It seems to me there are enough problems nowadays in the agricultural field and that we should not create any more. Now it is in that spirit that I address myself to this bill and I am sure that if we all get together and try to make this legislation into the best possible law, nobody will be dissatisfied and a great step will be taken on the road to social, economic and political stability in this country.

Mr. Roch La Salle (Joliette): Madam Speaker, I am very happy to take part in this debate today. May I say right off to the hon. minister responsible that we will support, without hesitating his bill which finally meets with the wish expressed over a week ago.

I must also congratulate the hon. members who took part in the debate, bearing in mind their information and intentions. We support this bill which we feel is most urgent. To my mind, it is the totally logical result of the special debate held last week.

Madam Speaker, I know some hon. members may have found me severe, and I said so last week. I was not the happiest of men when I moved my motion, as did the hon. member for Bellechasse (Mr. Lambert), even though it had the support of my colleagues.

I would also like to take this opportunity to thank the hon. members on both sides of the House who took part in the debate last week. Generally speaking, I believe that we have discussed this problem sufficiently to make the government understand the importance of resolving it and the difficulties which the farmers are facing.

The Minister of Consumer and Corporate Affairs (Mr. Ouellet), replying on behalf of the Minister of Agriculture who is justifiably absent, had accused us of suggesting this debate for unfounded or illogical reasons. The hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) has already started to interrupt me, but I shall forgive him since I know that this is one of his habits.

Last week, the Minister of Consumer and Corporate Affairs said that our debate was unfounded, but I believe that today, the Minister of Labour, by the decision that he made, has replied very objectively to our invitation and that of all hon. members who were asking last week that the government take its responsibilities.

It is certain that the Minister of Consumer and Corporate Affairs found that we could not offer any answers, but the answer that we requested last week is the same that we request everyday from the government—that it take its responsibilities. This is what the minister is doing today. The government has some authority and, in view of the situation, it is finally replying to our invitation of last week.

Madam Speaker, I must also point out that a government member had the courage to talk about the need for special legislation. I am speaking about the hon. member for Lapointe (Mr. Marceau), who made an excellent speech last week. We recognize this and I believe that he had already foreseen a solution. And one can wonder why we have waited so long, and what are the possibilities to right the wrongs.

● (1720)

Certainly some members are still convinced that the farmers did not lose anything, that they did not have any difficulty. Maybe they should read from time to time the news releases from the APU president and other representatives of the millers association and, especially, from the farmers themselves, to realize the enormous difficulties the latter have met.

The hon. member for Bellechasse (Mr. Lambert) told us the numerous difficulties he noted in his riding last weekend. I think all hon. members from rural ridings know that full well.

We therefore had valid reason to request concrete action from the government and today, we wholeheartedly responded in the affirmative to a legislation which, on the one side, will not be accepted right away by the workers of this sector, but, on the other side, corresponds to a real need.

We regret being forced to favour the implementation of such a measure, taking into account the workers, but, even then, I wonder to what extent we must say that nobody is responsible.

To my mind, contrary to what the hon. member for Bellechasse said earlier, there are responsible people and, as member of this House, as representatives, we have responsibilities to take on both sides of the House. Our present duty is to ask the government for immediate measures. That is what we are doing, and I think our responsibility then is part of the commitment we all took in our ridings.

I wish to say, Madam Speaker, that the government through this emergency measure presented today is answering our questions. We have been asking questions for three weeks. The government is taking a responsibility for which we have been calling for three weeks. I believe it is important that not only government members but also the whole labour sector concerned know that we have been demanding this measure for the sake of 6,000 egg producers. It was also for the sake of 15,000 poultry and turkey producers. We did it for 23,000 industrial milk producers, 5,000 fluid milk producers and 6,000 hog producers, as well as for all Quebec consumers, millions of them, who were waiting and calling for concrete government action. I think we are indeed meeting a big enough need of the community.

Therefore, all the feed supply in Quebec was, for all practical purposes, interrupted, breeding was in a difficult situation and egg producers would once again become the victims of American imports. Many of them would face bankruptcy. There was a rush on slaughterhouses and the food market would also be disturbed. Our farm producers support the consequences of a sixth strike within a year.

[Mr. La Salle.]

We had the strike of pilots, railway workers, inspectors, handlers, labourers and, today, longshoremen.

The situation is, and already was two weeks ago, dramatic and all the more abominable that agriculture in Quebec knows one of the worst crisis of its history, and rely on supplies of feed for more than 60 per cent to feed cattle.

The temporary measures of the government which the Minister of Consumer and Corporate Affairs (Mr. Ouellet) pretended to be efficient last Wednesday, have proved completely unsatisfactory for three weeks because they were too late, too slow and too expensive.

Therefore, the government now recognizes the validity of our assertions and of the questions which all members in this House have put for three weeks. On both sides of the House, members felt it a duty to put some embarrassing questions to the minister; we now ask: How is it that the Minister of Agriculture (Mr. Whelan), or the Canadian Wheat Board, or the Minister of Labour (Mr. Munro) did not give any answer to these repeated calls? Of course, it could be said that the guys in the opposition put questions so as to make headlines, and so on.

But there are still serious members on the other side of the House whose riding is affected. I was very happy to see those members show their interest in this area but, unfortunately, they did not get any answer. For three weeks, they did not come up with the answers we were expecting. I do not think that we could be reproached with not interfering. The Minister of Agriculture has been saying for three weeks that we were panicky, pessimistic, and that the information of the member for Bellechasse (Mr. Lambert), of the member for Vancouver South (Mr. Fraser) or, recently, the information of an NDP member, was not complete. There were many questions. The more we were trying to make the government aware of that alarming and dangerous situation, the more they answered us that it was untrue.

Last Wednesday, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) was saying that supplies would last a month. Some were talking about half empty elevators. They did not say that access to the ports was impossible, and that regularly. Therefore faced with such positions, we were justified, I think, to ask for a special debate last week. Today, it is quite obvious that the opposition was right since the minister is forced to act now. Indeed just three days ago I was asking the Minister of Labour how negotiations were progressing, what news did the mediators report. Since April 2, we were told that negotiations were broken and that the time had not come to try to bring the two parties together again, no matter the situation in which the Quebec farmers found themselves.

Therefore, Madam Speaker, we were entirely right. It will surely be stated that we want again to play politics in this debate. I do not want to do so, but I want to remind those who have accepted parliamentary duties that they have failed to assume their responsibilities during the past few weeks. And we are pleased today, even if it will cost money, that the government has at last decided to take position.

Some members and even some ministers, the Minister of Transport (Mr. Marchand) for example, surely do not

relish the idea of passing an ad hoc legislation, they would still rather see the victims get a series of injunctions from the court. That, Madam Speaker, is either hypocrisy or perhaps artlessness, because the systematic resort to court injunctions is tantamount to the denial of the right to strike. We know that perfectly well, but we are afraid to say so. Last week, we were asked by the government members: "Tell us whether you are for or against the right to strike?"

Asking the question in those terms is much too easy, Madam Speaker. But we are all perfectly aware that as long as the government keeps urging companies to resort to injunctions, it renounces its responsibility to decide and act. "Well, let companies resort to injunctions". Yes, but it means for all practical purposes doing away with the right to strike.

So, the government decided to get rid of its reponsibilities and turn them over to the courts. Courts will settle the problem. The worse of this business, Madam Speaker, is that the labour movement once again used farmers to force the government to give in, while the government used ship owners to curb labour demands. All during that time, Quebec farmers and—by way of consequence—consumers became the hostages of longshoremen as well as the Ottawa government, as my colleague the hon. member for Saint-Hyacinthe (Mr. Wagner) was saying last Wednesday.

We are already wondering whether these longshoremen will abide by the law, or whether, as some indicated as recently as this morning, they will oppose the will of Parliament.

I should like to remind these working men for whom we have great consideration and for whom we wish a fair treatment, I should like to remind the inspectors and longshoremen that the alternative is not, as some of their representatives have mentioned at a given moment, whether Parliament must first protect the hogs or the longshoremen. Such a solution, in my opinion, is far too simplistic. Such a position only goes to show the misgivings, and even the contempt, that some of our fellow citizens might have vis-à-vis our farmers.

I feel that the choice must be made at the following level. The rights of longshoremen must be recognized, of course, for instance security of employment and a minimum income for their work. No member of Parliament, in my opinion, is obstinate or hesitant in recognizing them such rights. But there are other workers.

The real victims throughout this conflict, Madam Speaker, are not the people of Bay Street or St. James Street: the real victims are the agricultural workers.

I believe the best thing those concerned in the conflict, that is the workers, could do for Workers' Day next May 1, would be to go back to work willingly. I hope that they do so for the sake of the farmers, whose job security and income are much more threatened than those of unionized workers.

However, the longshoremen should not be alone in suffering from the bad effects of their strike, which we recognize as legitimate and legal. Later, in committee of the whole, we shall ensure that there is greater job security. There does not seem to be any now according to the Gold report.

If the longshoremen have to go back proudly to work tomorrow, the government, once this measure is passed, will have to consider that its role is not finished. I believe that this may be the most important aspect of this issue, Madam Speaker. Today, we are discussing a special measure. Unfortunately, we have waited for it too long, and the workers as well as the members of Parliament knew very well that the government would be pressured, conditioned and forced to take some action. Indeed, the minister said earlier that he did not want to make this a case of first choice. This is not the first time that we have to legislate. It is not a precedent, as the minister said a while ago, far from it, for the government to be forced to introduce special legislation.

But tomorrow, as concerns the farmers, for instance, what guarantee do we have that the Quebec farmers, and especially those in eastern Quebec, will be compensated for the losses they have suffered during this conflict. We know that for those who could not get any supplies, the loss was much greater. What guarantee do we have from the government that the farmers will not lose their necessary profits? What guarantee do we have that the government will eventually make provisions for permanent measures which will allow us to be better prepared for such situations in the future? These are questions which we hope the members of the government, and especially the minister, will answer during the minutes to come.

And above all I wish to join with every party concerned with the new system of collective agreement, since the current one does not satisfy anybody anymore. Of course people are afraid. Politically speaking, this is dangerous matter, a vote here, a vote there if we start contesting labour unions, current methods. Still, I believe we must fact the facts. We must have the courage to say that we are not satisfied, that currently things are going wrong in every area.

I think the government has a responsibility to meet with the unions and review the so-called right to strike. There is no question of taking away the right to strike without compensation, some security, certain safeguards ensuring a fair deal to workers. But how far must we go? Today members say: "We will vote this special legislation but we will not remove the right to strike". But I submit we will be forced to call other workers back to work. If we are not affecting the right to strike, what then are we doing now? Are we not again taking the right to strike away from workers? So, a mechanism that used to do the job does not seem to meet today's requirements. Strikes break out in increasing numbers, at what cost and with what economic disruption! How long is this going to last? We have asked labour union representatives whether the right to strike is not used as a common tool nowadays.

Considering consequences, how far do they go in the assessment and weighing of their actions? These are questions that every member asks himself, but we do not dare deal with the issue in public, because there is always the danger of displeasing one category, which would be quite dangerous come election time. If, to be elected, we have to remain silent on problems that call for our attention, on solutions we should be promoting to protect the common

interest, I believe we are intellectually dishonest as a group in this House.

We have a responsibility to ask the government to call that important meeting, not only with labour unions, but also with businessmen, some of whom border on exploitation. I think that together they can find that sharing formula, that minimum income which is necessary not only to the farmer but the worker as well. And if the government does not move to bring those people together to set up fair standards for everyone I say it is failing in its responsibilities. That is exactly what happened a month ago. With respect to Quebec problems, that is not the first time. A month and a half ago we were discussing an almost identical problem in Vancouver.

So the union has responsibilities vis-à-vis consumers, the people of this country. It is necessary to remind that to the union, just as it is necessary to remind the government which says publicly it has powers that it also has responsibilities. Powers exist to be used. Today they are being used, and it took one month of shouting to get the government to move. We know how much farmers are going to pay for this, and it is impossible to assess the consumer's bill.

We know perfectly well, Madam Speaker, that the public is tired. For the worker what is important is his strike. They condemn the other guy's strike but try to justify theirs. We must try to restore the mechanisms that correspond best to this stability we want, the just society we have been hearing about for a very long time. I think that just society will not build itself. It will be achieved to the extent that we will have at least the courage to bring together the people responsible for the economy, including those in the fields of food and farming, and make them understand that it is time to find a solution, acceptable compromises from which will stem the sharing formula that is absolutely necessary.

Madam Speaker, I will conclude by saying that we support this legislation and we are not attempting to prolong the debate.

I would also like to remind all those who accused me last week of being a member of a political party which does not serve the interests of the province of Quebec, that we proved them wrong last week, in the special debate. Today, however, it is not without a certain degree of hesitation that all my colleagues in this party are assuring the government of their co-operation in dispatching the bill through the House, bearing in mind the urgency of the matter and the interests of the farmers of Quebec and of all of Canada.

Madam Speaker, I hope the government will be doing this again, repeating what he is doing today, saying: We take our responsibilities.

This is not a long-term solution; again, we will see that other similar conflicts will come up and that, if there is no change in all the mechanisms, in all the methods which have become a necessity today, if we do not want to be forced to return to Parliament to pass special bills such as this one—

[Mr. La Salle.]

• (1730)

[*English*]

Mr. Sharp: Madam Speaker, I believe there is a general disposition to continue the debate beyond six o'clock this evening, and accordingly I have a motion that the hours of sitting be extended beyond that time.

Mr. Jones: On a point of order, Madam Speaker, I do not know of any agreement to extend the hours.

Mr. Sharp: I intend to make a motion under the provisions of Standing Order 6(5). It would, of course, not be our intention to sit after six o'clock in the literal sense—

Mr. Knowles (Winnipeg North Centre): Is the motion in writing?

Mr. Sharp: Yes. I move:

That the hours of sitting be extended beyond six o'clock.

The Acting Speaker (Mrs. Morin): Those opposed to the motion will please rise.

[*Translation*]

Mr. Fortin: Madam Speaker, on a point of order—

The Acting Speaker (Mrs. Morin): Order. I would like to remind the hon. member that he will have a chance to rise on a point of order later.

Mr. Fortin: Madam Speaker, in this case I raise a question of privilege.

The Acting Speaker (Mrs. Morin): Order. When the House is called upon to vote it is not in order to raise a question of privilege.

[*English*]

All those opposed to the motion will please rise.

Mr. Baldwin: May I rise on a point of order, first?

The Acting Speaker (Mrs. Morin): Order, please. May I put the question? All those who are against the motion will please rise.

Mr. Baldwin: Madam Speaker, if you feel I should not speak I will not do so, but surely we can work out some order from this situation. If the motion is passed as worded we would sit continuously, and from this point of view I urge that there be unanimous consent that I be allowed to say something on this point right now.

The Acting Speaker (Mrs. Morin): Very well. I will call upon the hon. members for Lotbinière (Mr. Fortin), Peace River (Mr. Baldwin) and Moncton (Mr. Jones).

[*Translation*]

The hon. member for Lotbinière (Mr. Fortin), the hon. member for Peace River (Mr. Baldwin) and the hon. member for Moncton (Mr. Jones) will speak afterwards.

Mr. Fortin: Madam Speaker, the President of the Privy Council (Mr. Sharp) moved this motion pursuant to a unanimous agreement and saying that there had been consultation. I have to protest, because we were not consulted and therefore we cannot take part in the conclusion

of a unanimous agreement at this level. This is why I rise on a point of order, Madam Speaker. From now on, when the President of the Privy Council really wants to move a motion on unanimous consent, he should not forget the 11 members of the Social Credit Party of Canada in this House.

[*English*]

Mr. Baldwin: Surely there is a reasonable and civilized way to deal with this. We could probably come back here at eight o'clock and sit, I suggest, until ten o'clock, in an effort to determine whether satisfactory progress has been made. If, toward ten o'clock, we find the bill is almost disposed of we would not place any obstruction in the way of allowing any reasonable addition of time in which to finish the work. I might say, though, that the other place, I am instructed, will not be meeting until tomorrow—I may he wrong, but my instructions are that the other place is not sitting and that this measure cannot be reached by them until tomorrow. I should like to know what position the NDP is taking. I do not look forward to sitting here continuously from six o'clock onward.

I might point out that Your Honour could not interfere with the terms of an order providing for a continuous sitting after six o'clock. The hon. member for Moncton (Mr.Jones) has told us he is not prepared to give unanimous consent. I certainly do not think we should sit through from this moment continuously until late tonight.

● (1740)

Mr. Sharp: On the same point of order, Madam Speaker, I was aware of these difficulties but I was advised that, under the terms of the standing order, unless we were to proceed by unanimous consent, which might have jeopardized our sitting this evening, I could only move that the hours of sitting be extended beyond six p.m. It was my intention—I hope we will have unanimous consent—as I indicated in my preliminary remarks that we adjourn between the hours of six and eight. I want to say to my hon. friend that I would be very happy to fall in with this suggestion, but I am not sure whether it is entirely within the rules.

Mr. Baldwin: Then on those conditions, and if the President of the Privy Council (Mr. Sharp) will give me his assurance—I know there are limitations to what he can do—that we will review the question at ten o'clock, I will agree to that. There is no point sitting here ad nauseam if the matter is not going to be completed tonight, particularly in light of the fact that it cannot become law until tomorrow evening by reason of the fact that the favoured people of my hon. friend from Winnipeg North Centre are not available until tomorrow.

Mr. Jones: Madam Speaker, I am becoming a bit concerned at the government House leader periodically getting unanimous consent for this thing and for that thing, and asking unanimity in connection with this and that. This matter was not discussed with me as a member of parliament, and when we sit in this House surely to goodness we sit as members of parliament without relation to partisan politics.

I am concerned about a lot of these things, and particularly about this type of legislation. I just do not like it. I want to serve notice on this House through you, Madam Speaker, that I do not intend to strike but I do intend to withhold consent when unanimous agreement is asked for in the future until the House of Commons has the common decency (1) to make provision for independent members to become members of standing committees; (2) amends the Elections Act, the Election Expenses Act, and the Income Tax Act to give independents the same benefits as other members of parliament belonging to so-called recognized political parties; and (3) gives greater consideration to the rights of independent members of the House. I do not like being pushed around by the House leader on the government side saying there is unanimous consent on this and that matter, when it is not true.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I just want to say that it is not often that I defend the government House leader. At least that has not been a practice of mine during the last few weeks. But I do not think that the President of the Privy Council (Mr. Sharp) said that there was unanimous consent.

Mr. Jones: Yes, he did.

Mr. Knowles (Winnipeg North Centre): I think all he said was that there was a general disposition. In other words, he thought that the people he had talked to would agree, but he did not ask for unanimous consent. He asked to act under Standing Order 6.

I think we have had enough of these Wednesday nights and I do not like the idea of sitting tonight on this measure. But I might be persuaded by the hon. member for Peace River (Mr. Baldwin) to go along with the understanding that we sit at eight o'clock, provided it is clear now that we are going to close off at ten o'clock.

The Acting Speaker (Mrs. Morin): Pursuant to Standing Order 6(5) there is a motion to extend the sitting beyond six o'clock. All the members opposed to the motion please rise.

And fewer than ten members having risen:

The Acting Speaker (Mrs. Morin): I declare the motion carried.

Motion agreed to.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, can we now have a clear undertaking from the government House leader that what has just been discussed is what he intends, namely, that we rise at six, come back at eight, and that unless we review the matter we rise at ten?

Mr. Sharp: I am in general agreement, Madam Speaker. I doubt whether we will need to go beyond ten o'clock, but I am sure that if we were not quite finished with the bill there might be a disposition to go on. However, it is not my intention to go on all night or anything of that kind. Ten o'clock is the target that I have in mind.

Mr. Baldwin: Madam Speaker, when the government House leader and the hon. member for Winnipeg North Centre come to a consensus ad idem, who am I to interfere, particularly when it was I who suggested it in the first place?

The Acting Speaker (Mrs. Morin): Is it agreed that we rise at six o'clock and resume at eight o'clock?

Mr. Jones: I do not agree to that, Madam Speaker.

An hon. Member: You go home. We don't need you.

Mr. Jones: You may not need me but the people in my constituency need me.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Mr. MacGuigan: Madam Speaker, before putting the question on second reading of the bill, I think there is some agreement, which I hope is unanimous, that the bill be dealt with in committee of the whole rather than being referred to the standing committee. Therefore, I move, seconded by the hon. member for Maisonneuve-Rosemont (Mr. Joyal):

That the motion be amended by deleting therefrom all the words after the word "referred" and substituting therefor the following words: "to a committee of the whole House".

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said amendment?

Some hon. Members: Agreed.

Mr. Jones: No. I want my vote registered.

The Acting Speaker (Mrs. Morin): Carried on division.

Amendment (Mr. MacGuigan) agreed to on division.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

Motion as amended agreed to, bill read the second time and the House went into Committee thereon, Mrs. Morin in the chair.

Mr. Fraser: Madam Chairman, I wonder whether in view of the hour we could call it six o'clock?

The Assistant Deputy Chairman: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

Mr. Jones: No.

The Assistant Deputy Chairman: There is no unanimous consent to call it six o'clock, the hon. member for Moncton having objected. Is there agreement to rise at six o'clock?

Mr. Knowles (Winnipeg North Centre): Why not rise now and come back at eight?

The Assistant Deputy Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

The Assistant Deputy Chairman: Shall clause 2 carry?

[Mr. Baldwin.]

Mr. Knowles (Winnipeg North Centre): Madam Chairman, may I suggest that you should not have called clause 1 at this point. You should have started with clause 2.

The Assistant Deputy Chairman: Shall clause 2 carry?

Some hon. Members: Carried.

Clause 2 agreed to.

Clause 3 agreed to.

• (1750)

On Clause 4—*Longshoring operations to be resumed.*

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I wish to move an amendment to Clause 4. My hon. friend, the member for Regina-Lake Centre, pointed out when he was speaking at the second reading stage that we agree a case can be made for the wage settlement part of the Gold report but we do not feel that we should impose upon those longshoremen the provisions of the Gold report that refer to job security and some other matters. Therefore, Madam Chairman, we would like to see the portion of—

Madam Chairman, a moment ago I was chiding you for having called clause 1 when you should have called clause 2. I find that I am now standing here speaking on clause 4 when it is clause 5 to which I wish to move my amendment, so I guess we are even.

Clause 4 agreed to.

On Clause 5—*Term of collective agreement extended.*

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I believe I am now on the clause to which I wish to move an amendment. Clause 5, which starts on page 3 and runs over to the middle of page 4, includes sub-clause (3) which would put these longshoremen back to work under all the terms of the Gold report.

As I have already said, we recognize that a case can be made for the wage settlement proposed in the Gold report, but we think a strong case can be made against the part of the Gold report that fails to meet the employees in the matter of job security. It is our view, therefore, that paragraph (b), being line 13 to line 18 on page 4, should be deleted.

This is a little bit complicated because if that much is deleted it is also necessary to delete the letter "(a)" at the beginning of line 43 on page 3, and it is also necessary to delete the word "and" at the end of line 12 on page 4.

If there is anyone, I have not lost, may I go on to say that the simplest way to do all of this is to move an amendment to strike out all of sub-clause (3) of clause 5 and then put it back in without including the portion that we think should not be there.

I would therefore move:

That Bill C-59 be amended by striking out lines 39 to 48 on page 3, and lines 1 to 18 on page 4, and substituting therefor the following:

(3) Upon the coming into force of this Part, the terms and conditions of each one of the collective agreements to which this Part applies are amended by increasing each hourly rate of wages, as established by or pursuant to such agreement and in effect on the date the collective agreement expired, by the amount recommended

in the reports of the conciliation commissioner that were received by the Minister of Labour on March 14, 1975, which increase shall,

(i) in the case of the collective agreement referred to in paragraph (a) of the definition "collective agreements to which this Part applies" in section 3, be effective as of January 1, 1975, and

(ii) in the case of the collective agreements referred to in paragraph (b) of the definition "collective agreements to which this Part applies" in section 3, be effective as of January 16, 1975."

That may look like a lot of words, but what it amounts to is leaving in all the words that are already there except paragraph (b), being line 13 to line 18 on page 4, and leaving out one or two connecting items.

The purpose and the intent of the amendment is to limit the compulsory feature of this legislation to the wage settlement and not to make it apply to other features of the Gold report. I hope the minister will look with favour on this amendment.

Mr. Jones: Madam Chairman, I move we adjourn until eight o'clock.

Mr. Fraser: On a point of order, Madam Chairman, I wonder if the hon. member for Moncton could again address the Chair as I did not hear his remark and I should like to hear it.

Mr. Sharp: Madam Chairman, before the hon. member does that I would move, seconded by the hon. member for Moncton, that we rise at six p.m. until the hour of eight o'clock.

Motion agreed to.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order, please. When the committee rose at six o'clock clause 5, to which an amendment had been moved by the hon. member for Winnipeg North Centre, was under consideration. Is the committee ready for the question on the amendment?

Some hon. Members: Question.

Amendment (Mr. Knowles (Winnipeg North Centre)) negatived: Yeas, 2; nays, 34.

The Assistant Deputy Chairman: I declare the amendment negatived.

Shall clause 5 carry?

Mr. Knowles (Winnipeg North Centre): On division.

Clause 5 agreed to on division.

Clause 6 agreed to.

On Clause 7—*Parties to negotiate.*

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I wish to move an amendment which again is very lengthy. I hope that, when I have indicated what it is and where I obtained the wording, the committee might be willing to put it in the record without my reading it.

An hon. Member: Agreed.

Mr. Knowles (Winnipeg North Centre): I detect a willingness that this be done before I indicate what it is.

There is a unique feature about this bill which gives us concern. I think I speak for most members of the committee when I say that none of us likes back-to-work legislation of any kind. This is not the way to settle an industrial dispute. However, usually when as a last resort the government brings in a measure to force workers back to work it provides for the immediate settlement of certain conditions and also provides for an arbitrator to settle some of the outstanding matters. In this case there is no arbitrator. In this case the entire Gold report is legislated and nothing is left for any further consultation or bargaining.

We feel that there should be written into this bill the same provisions for an arbitrator that the government put in the bill a few weeks ago when it sent the longshoremen on the west coast back to work. Therefore, Madam Chairman, I should like to move:

That Bill C-59 be amended by striking out paragraphs 7 and 8, lines 1 to 47 on page 5 and lines 1 to 15 on page 6; and by substituting therefor the following:

"7. (1) The Minister of Labour shall

(a) appoint an arbitrator and refer to him all matters relating to the amendment or revision of the collective agreements to which this Part applies, with the exception of those matters referred to in paragraph 5(3); and

(b) provide for the form in which the decision of the arbitrator in respect of the matters referred to him shall be set forth.

(2) An arbitrator appointed under subsection (1) has, with such modifications as the circumstances require, all the powers and duties of an arbitrator under section 157 of the Canada Labour Code.

(3) Notwithstanding any other provision of this Act or of the Canada Labour Code, the arbitrator shall be required to decide all matters referred to him under this Part within 60 days of his appointment.

8 (1) When an arbitrator appointed under section 7 decides all matters referred to him, the collective agreements to which this Part applies are deemed to be amended by the incorporation therein of such decision and by the incorporation therein of such other amendments as may have been agreed to by the parties thereto prior to the decision of the arbitrator, and the collective agreements as so amended constitute new collective agreements which shall have effect

(i) in the case of the collective agreement referred to in paragraph (a) of the definition "collective agreements to which this Part applies" in section 3, on and from January 1, 1975, and

(ii) in the case of the collective agreements referred to in paragraph (b) of the definition "collective agreements to which this Part applies" in section 3, on and from January 16, 1975.

(2) Nothing in section 5 or in subsection (1) shall be deemed to limit or restrict the rights of the parties to a collective agreement to agree to vary or amend any of the provisions of the collective agreement as amended pursuant to that section and that subsection other than a provision relating to the term of the collective agreement, and to give effect thereto."

As I said, Madam Chairman, my amendment is a lengthy one. I have read it all so it is not necessary to ask for the consent I referred to earlier. The point is that the language is taken verbatim, with the exception of changes in respect of certain clause numbers, from the legislation which sent the longshoremen on the west coast back to work. It provides for an arbitrator, a provision which we think should be a part of this legislation. I hope the government will give favourable consideration to this amendment. When we rose at six o'clock I gave the Minis-

ter of Labour a copy of all the amendments we intend to move at this stage.

The Assistant Deputy Chairman: The House has heard the terms of the amendment. Is it the pleasure of the House to adopt the said amendment?

Mr. Benjamin: Madam Chairman, I was hoping the minister would rise at some point during committee of the whole stage to tell us how he feels about what we have said at second reading and at the committee stage regarding these three harbours and the job security provisions of the Gold report.

The Gold report is fairly thick but I suspect both sides will accept, either willingly or grudgingly, most of the recommendations in the report, with the exception of the job security provision which is the most crucial issue in this dispute. I would like the minister to let us know why he cannot accept exactly the same as was provided in the case of Vancouver. There an arbitrator was appointed and his decision was binding on both sides. There are arguments against that situation as well, but at least we would not be legislating a contract in the kind of detail that is in the Gold report.

● (2010)

Unless I am mistaken in my reading and understanding of the Gold report, we are legislating all of the longshoremen in Three Rivers back to work with a guarantee of 1,200 hours. Under the previous agreement they had a guarantee of 1,480 hours. Even with the wage package that is in this legislation they will be no better off, and possibly will be worse off, than they were under the old agreement. If, in fact, Mr. Gold's report says that the overtime they work from Monday to Friday will be deducted from the 1,200 hours, they will be in an even worse position. Surely we can do no less than legislate these men back to work in a way whereby they will be no worse off than before.

I ask the minister what is wrong with these amendments? They do exactly what was done before, namely, leave it to an arbitrator to examine Mr. Gold's recommendations on job security. The only point we are trying to make is with regard to the job security issue. As far as I am concerned the other 60 or 70 pages of Mr. Gold's report can go "as is", with possibly only minor changes. After meeting with both sides surely an arbitrator will endeavour to meet these points and come up with something that is more acceptable with regard to job security provisions.

If we in this parliament insist on legislating men back to work in Three Rivers with a guarantee of 1,200 hours instead of 1,480 hours, and other men with a guarantee of 1,400 hours instead of the former 1,480 hours, even with the pay increase they could well lose if the overtime hours are counted against them. An officer of the union said that what has been given in the wage package, which is not too bad, has been taken away once or twice in the job security provisions of maximum hours guaranteed in the course of a year's work. I just cannot see workers of any kind sitting still for that. Why does the minister not agree we can and should do exactly the same as we did in the Vancouver legislation?

[Mr. Knowles (Winnipeg North Centre).]

Mr. Munro (Hamilton East): Madam Chairman, I will answer the hon. member for Winnipeg North Centre and then get to the questions asked by the hon. member for Regina-Lake Centre.

With regard to the precedents we are dealing with here, the legislation we had dealing with the west coast longshoremen was in a situation where there was not a commissioner appointed. There was no board chairman appointed. In that situation the parties asked that there be no commissioner and no board chairman. They wished to negotiate themselves. However, they were unsuccessful in doing so. There was no report on which to base any legislation. That is why we just extended the collective agreement and appointed an arbitrator.

In this situation we have a commissioner's report. He made firm recommendations in contractual language. This is similar to the situation we had with the grainhandlers' strike on the west coast. In that case, Dr. Perry was the single man commission. He recommended all the provisions of the collective agreement, put it in contractual language, and parliament legislated the Perry recommendations in total as the collective agreement. In that particular case the commissioner's report had the support of the employees. Parliament supported the government. I believe the members of the New Democratic Party supported that legislation and, as I indicated, so did the union.

Here we have an analogous situation. We have a commissioner's report by Judge Alan Gold. Again, it is highly thought of by both union and management. Both agreed to him in this particular role as commissioner. He has come down with a report in detail. All the recommendations are in contractual language. However, this time it is agreed to by the employers and not the employees. We are following the same course, but it happens to be the opposite side of the coin in so far as who agrees to it. There is our precedent.

I will now turn to some of the points raised by the hon. member for Regina-Lake Centre. I might just indicate to him that what is recommended here in terms of job security is a job security study provision that has been plaguing the proper operation of this port for endless years. It has been studied by the most able man in this field, Judge Alan Gold. It is agreed that in industrial relations his ability is unquestioned. Equally important, his experience in industrial relations is practiced in the St. Lawrence ports.

I repeat that it is appropriate to recall that in 1968, as I indicated in my opening remarks, and again in 1971 Judge Gold was appointed chairman of the conciliation board which dealt with the complex and difficult longshoring problems. He is the one who dealt with this particular situation. With regard to the differential between Trois-Rivières, Quebec City and Montreal, he had a special assignment by Professor Bellemare that also looked into this. The situation is that the traffic is not as heavy in Trois-Rivières and Quebec City as in Montreal.

I would point out to the hon. member for Regina-Lake Centre that job security in Montreal is higher, 1,600 hours as opposed to 1,480 hours. Of the 2,200 longshoremen, 1,600 are in Montreal. Therefore the vast majority do benefit. The recommendations are based on the most solid expertise we could get.

Even if the government followed another course, and this is hypothetical, and decided we would do something along the lines recommended by the hon. member for Winnipeg North Centre, appoint an arbitrator and extend the current collective agreement, it is very unlikely we could find an arbitrator of the competence of Alan Gold.

These are essentially the reasons why we are recommending action along these lines. Once we have decided to proceed along the lines of incorporating a commissioner's report as the collective agreement, we cannot change that. Some of us may not like one particular aspect and want it deleted. Others may want other aspects deleted. Before we know it the whole thing could collapse and we would not have a coherent, cogent collective agreement incorporated in our legislation.

● (2020)

Mr. Orlikow: Madam Chairman, I recognize the difficulty of the minister. In this bill he is essentially proposing that we follow the recommendations of Mr. Justice Gold. We do not question the ability of Mr. Justice Gold or his past experience, but we are wondering how this will actually work. The minister said that 1,600 to 2,200 workers work in Montreal. They are protected, of course, by the provision that they will be guaranteed 2,000 hours. But we are concerned about the 600 workers in Quebec City and the workers in Three Rivers. In the case of the latter, they will be guaranteed not more than 1,200 hours. That works out to a guarantee of 30 weeks' work and a gross income of $6 per hour, or $7,200 for the year. For a married man with a wife and two children, that amounts to less than the poverty level. I do not think the minister can be very happy about making that kind of proposal.

I suggest to the minister that if the workers in Three Rivers are guaranteed only 30 weeks, they will be entitled to 20 weeks' unemployment insurance benefits. That seems a very strange proposition for the government to make. The worker would be guaranteed 30 weeks' work in the industry, and if that is all the work there is they will be guaranteed 20 weeks' unemployment insurance benefits. They then become, not the responsibility of the industry to which they are tied as long as they work but the responsibility of the Canadian taxpayers. This would not be just for one year but on a permanent basis unless there is more work in Three Rivers than the minister seems to feel there is.

The situation in Quebec City, while a little better is really not much better. Instead of 30 weeks, the workers would be guaranteed 35 weeks' work. Surely the minister can come up with a better, more humane proposal than that contained in this bill.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Mr. Benjamin: No, Madam Chairman. The minister did not answer the points I raised. He discussed the integrity and the ability of Mr. Justice Gold, and there is no argument about that, but I hope he is not trying to tell the House that Mr. Justice Gold is perfect and that everything contained in his report is 100 per cent correct. No matter who takes the role of conciliator or arbitrator, they are not perfect when they bring in their reports. Both sides to a dispute would agree with that. All we are saying is that we remove much of the specific decision-making that is asked of this parliament and turn it over to an arbitrator. The minister has not assured the House and this committee that several hundred longshoremen will not, in fact, be worse off than under the old agreement.

Since the issue is job security, I remind the minister that there used to be 3,400 longshoremen and there are now 2,200. That fact should cause some concern. With all due respect to Mr. Justice Gold, in regard to the job security provisions and the annual number of hours at these three ports he is wrong. Even if he is not wrong, surely parliament should not legislate in respect of that kind of detail: it is something an arbitrator should be doing. All we ask is that an arbitrator rule on that part of the draft collective agreement which Mr. Justice Gold submitted in the form of a report to the minister. I refer only to the job security provisions. If the minister wishes to legislate all the rest, I am in no position to argue with him because I have not had a chance to peruse it all. I refer only to the job security provisions, the 1,600-hour framework for Montreal, 1,400 for Quebec City and 1,200 for Three Rivers. It seems to me that is the meat of the issue which will have the minister and many others in trouble in just two or three months.

The amendment moved by the hon. member for Winnipeg North Centre proposes that the arbitrator must report back within 60 days with his ruling, which will be binding on both sides. That will not put us into another strike situation. The contract will be for three years until the end of 1977. I agree that this is not exactly the same as the Vancouver situation, but the principle is the same.

Can the minister assure the committee that the recommendations will not in fact mean, with deductibility in respect of overtime hours, that workers—certainly those in Three Rivers, probably those in Quebec City, and among the junior workers in Montreal—will not be better off, and usually worse off, than they are under the existing agreement? How can we legislate that kind of settlement? I repeat what I said this afternoon: if we are to put them back to work, let us put them back to work fairly, and not unfairly.

Mr. Forrestall: Madam Chairman, I wish to direct a related question to the minister. Having some sympathy for the point being made by this amendment—and I am speaking in a very personal way—and having some concern about this House having anything to do with legislation respecting terms of collective agreements, I ask the minister if he can shed some light on the position we are put into with respect to negotiations, for example, which are going on now at the port of Saint John. Negotiations are reasonably well advanced there.

I dislike dealing in hypothetical situations, but I think the minister at this stage of this legislation could let his mind roam and give us an indication as to whether what we are doing now could be considered a precedent in the—hopefully, unlikely—event that the good workers in Saint John will not be able to reach meaningful arrangements with the MEA. In the event they do not and a conciliator has to be named in Saint John, New Brunswick—and, as

well, with respect to the port of Halifax where negotiations will commence, probably, in September or October—will what we are doing tonight not establish a precedent which probably could place negotiations, particularly in Halifax, in a more militant posture and could have very serious consequences with respect to the finalization of the negotiations in the port of Saint John?

I wonder if the minister could shed a little light on that matter, because in no small way would it have something to do with my decision as to whether in fact we have any moral right to tamper with an issue which is in dispute and with my accepting the minister's arguments with respect to items which are in dispute. But with respect to items which are in dispute I am afraid of the precedent we might establish in terms of current negotiations and others which will be current before the end of the summer or the early part of the fall.

Mr. Munro (Hamilton East): Madam Chairman, I indicated earlier that the action we are now recommending is not to be regarded as a prededent. I think the course of action followed by the government, when it has to legislate, should be one which, considering all the circumstances, is the best and is not tied to precedent, on the basis that often this is an argument which enhances the chances of a settlement outside parliament. The parties are not aware of precisely what they may face if they have to come to parliament. That type of situation may very well retard the efforts of one party or the other to get off the hook, so to speak, with their own membership. By letting parliament pass legislation that the employers do not like and would prefer to have foisted on them, or that the union leadership does not like because they do not want to take the risk of recommending it to the membership and having it repudiated, both parties avoid responsibility.

● (2030)

I do not think the hon. member should be too concerned about the precedent setting nature of this particular legislation. In answer to a question by the hon. member for Regina-Lake Centre I indicated that we had followed this course before. It is true that we did not do it with the west coast longshoremen, but we did it with the grain handlers and the Perry report.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Knowles (Winnipeg North Centre) negatived: Yeas, 7; nays, 65.

The Assistant Deputy Chairman: Shall clause 7 carry?

Some hon. Members: Agreed.

Clause 7 agreed to.

On clause 8—*Appointment of Referee.*

Mr. Fraser: I wonder if I could ask the Minister of Labour in regard to this clause whether it is his understanding that the referee will be looking at the wording of the Gold report only and will not be referring back to any of the collective agreements that have covered relationships between these parties over the last several years. In terms of the interpretation and implementation of this clause, is it his intention that the referee must confine himself to the Gold report and this legislation, and will not wander back into the collective agreements that are no longer in effect between the parties?

[Mr. Forrestall.]

Mr. Munro (Hamilton East): Yes, Madam Chairman. In the exercise of his duties he is restricted to refereeing the interpretation of the contents of the Gold report.

Mr. Forrestall: Madam Chairman, clause 8(4) reads:

> For the purposes of this part, a referee appointed under this section has, with such modifications as the circumstances require, all the powers conferred on a conciliation board under section 175 of the *Canada Labour Code.*

Is the minister saying that the clause modifies the powers that are conferred under the appropriate act? Is he now saying it is restricted, without having spelled it out, while the latter stage of this clause is expanding the powers of section 175 of the *Canada Labour Code*?

Mr. Munro (Hamilton East): No Madam Chairman, this clause refers to procedural matters. In other words he has the power, if he wishes, to call witnesses and that type of thing. He has powers of subpoena but on strictly procedural matters, not matters of substance.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Madam Chairman, I take it from clause 8(4) that the power of the referee is strictly that of a conciliation officer. He is not the arbitrator but is simply to bring parties together to try to get agreement on matters that might be outstanding.

Mr. Munro (Hamilton East): The referee is not a conciliation officer. A conciliation officer is one who goes out to the parties later on as a matter of course and endeavours to bring them together before they move to the next stage of a conciliation commissioner. It is not that at all. It is the function of a referee to interpret whenever there is some difference of opinion about what we are faced with here, the contents of the Gold report. In so doing he has the powers of a conciliation commissioner, not officer—a conciliation commissioner or conciliation board, in terms of having the capacity to summon witnesses.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Of course I should have used the term conciliation commissioner. He has the power of a conciliation board to seek to bring parties together on any matters that are still outstanding. I wanted the assurance of the minister that he has not got the power of arbitrator, that he cannot make any change unless it is acceptable to both parties concerned. Is that correct?

Mr. Munro (Hamilton East): That is essentially correct, if we understand each other. He cannot go beyond Gold; that is his limitation. He may be called upon to interpret the language of Gold, however, if the parties themselves cannot do it.

[*Translation*]

Mr. Lambert (Bellechasse): Madam Speaker, Clause 8(5) under consideration provides that the parties may amend the collective agreement. Does that mean that the parties may agree to amend part of the collective agreement, or all of it, by mutual agreement? Still, the last few lines read as follows:

—other than a provision relating to the term of the collective agreement.

Is this a restriction provided in case an agreement is reached on the clauses of the collective agreement, whereby the act would then prevent any agreement to extend or shorten the life of the collective agreement, complete agreement having otherwise been reached between the two parties?

● (2040)

[*English*]

Mr. Munro (Hamilton East): Madam Chairman, if the parties agree, that is fine. They can make any amendments they wish, except those altering the termination date in the agreement. They can make any type of amendment they wish, provided both parties agree.

Clause 8 agreed to.

Clauses 9 and 10 agreed to.

On clause 11—*Term of collective agreement extended.*

Mr. Benjamin: Madam Chairman, we have now reached the part of the bill which deals with checkers and cargo repairmen. I wish to move an amendment which will endeavour to do for these people the very same thing we tried to do for the longshoremen, and do what the hon. member for Vancouver South this afternoon said we should do in the area of job security. The amendment would put the matter in the hands of an arbitrator who should make decisions binding on both sides. That is exactly the point made by the hon. member for Vancouver South this afternoon, with which we agree. The hon. member said that parliament should not legislate all these details. I hope the hon. member for Vancouver South, who said in a much better way this afternoon what I just tried to say, will support this amendment to clause 11.

I move:

That Bill C-59 be amended by striking out lines 3 to 20 on page 8, and substituting therefor the following:

"(2) Upon the coming into force of this Part, the terms and conditions of each of the collective agreements to which this Part applies are amended by increasing, effective January 1, 1975, each hourly rate of wages in effect on December 31, 1974, as established by or pursuant to such agreement, by the amount recommended in the reports of the conciliation commissioner that were received by the Minister of Labour on April 9, 1975."

The amendment, if accepted, would leave in the bill only those parts relating to wages, and would delete that part of the clause which talks about the incorporation of all the other matters recommended by the conciliation commissioner. It would do what the hon. member for Vancouver South this afternoon suggested should be done.

Amendment (Mr. Benjamin) negatived: Yeas, 8; nays, 63.

The Assistant Deputy Chairman: Shall clause 11 carry?

Mr. Knowles (Winnipeg North Centre): On division.

Clause 11 agreed to on division.

Clause 12 agreed to.

On clause 13—*Parties to negotiate.*

Mr. Knowles (Winnipeg North Centre): Madam Chairman, just as we proposed two separate amendments respecting those involved in longshoring and related operations, so are we now moving similar amendments with respect to checkers and cargo repairmen. We have already dealt with an amendment which would have confined the compulsory nature of this legislation to the wage settlement. I now wish to propose an amendment which would put an arbitrator into the picture with respect to the checkers and cargo repairmen, in the same way as we proposed with respect to the longshoremen. The amendment is pretty long, so hon. members can relax for a couple of minutes. I move:

That Bill C-59 be amended by striking out clauses 13 and 14, lines 1 to 44 on page 9 and lines 1 to 18 on page 10, and by substituting therefor the following:

"13. (1) The Minister of Labour shall

(a) appoint an arbitrator and refer to him all matters relating to the amendment or revision of the collective agreements to which this Part applies, with the exception of those matters referred to in paragraph 11 (2)

(b) provide for the form in which the decision of the arbitrator in respect of the matters referred to him shall be set forth.

(2) An arbitrator appointed under subsection (1) has, with such modifications as the circumstances require, all the powers and duties of an arbitrator under section 157 of the Canada Labour Code.

(3) Notwithstanding any other provision of this act or of the Canada Labour Code, the arbitrator shall be required to decide all matters referred to him under this Part within 60 days of his appointment.

14. (1) When an arbitrator appointed under section 13 decides all matters referred to him, the collective agreements to which this Part applies are deemed to be amended by the incorporation therein of such decision and by the incorporation therein of such other amendments as may have been agreed to by the parties thereto prior to the decision of the arbitrator, and the collective agreements as so amended constitute new collective agreements which shall have effect on and from January 1, 1975.

● (2050)

(2) Nothing in section 11 or in subsection (1) shall be deemed to limit or restrict the rights of the parties to a collective agreement to agree to vary or amend any of the provisions of the collective agreement as amended pursuant to that section and that subsection other than a provision relating to the term of the collective agreement, and to give effect thereto."

The reason that language is so choice and fits the bill so well is because it is taken from the Minister of Labour who put those words in the last bill which sent longshoremen back to work. I move this amendment in the hope that, despite the refusal of the minister to accept my hon. friend's proposal, he will see fit to approve this proposition as it relates to checkers and cargo repairmen.

Amendment negatived; Yeas, 9; nays, 64.

Clause 13 agreed to.

Clauses 14 to 18 inclusive agreed to.

Mr. MacGuigan: On a point of order, Madam Chairman, there is a minor typographical error in clause 5 having to do with the term of the agreement. Would there be consent to re-open clause 5 in order that this amendment could be made?

Mr. Knowles (Winnipeg North Centre): It is not the only error in this bill.

An hon. Member: This is typographical.

The Assistant Deputy Chairman: Is there unanimous consent?

Some hon. Members: Agreed.

On clause 5—*Term of Collective Agreement Extended.*

Mr. MacGuigan: I move:

That Bill C-59 be amended by striking out line 33 on page 3 and substituting the following:

"the period beginning on January 16, 1975".

An hon. Member: The wrong year!

Mr. Stanfield: On a point of order, Madam Chairman, I do not object to the clause being re-opened, but that is not a typographical error. It is just an error.

Mr. MacGuigan: I do not wish to indulge in a debate on semantics with the Leader of the Opposition, but there are several other places where the same formula is repeated and this is the only one where there is that error.

Mr. Stanfield: It is a mistake, not a typographical error.

Mr. MacGuigan: In my opinion it is a typographical error.

Mr. Knowles (Winnipeg North Centre): I rise not only to express the thanks of my union, the International Typographical Union, for the support given to us by the Leader of the Opposition—

Mr. Stanfield: I repudiate it!

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I suggest to the Leader of the Opposition that he spoke too soon. I would point out that the so-called error appears both in the English and in the French versions. I suggest, therefore, that it was not a printer's error, but an error in the copy which was sent to the printer.

Amendment agreed to.

Clause 5, as amended, agreed to.

Mr. Knowles (Winnipeg North Centre): What about clause one? On clause 1—*Short title.*

Mr. Forrestall: Madam Chairman, there are one or two things I want to get off my chest with respect to what has taken place this afternoon before we move on to third reading. I shall try to be brief.

Some hon. Members: Hear, hear!

[Mr. Knowles (Winnipeg North Centre).]

Mr. Forrestall: Those members sitting in the back row opposite who supported that comment should wait until they have been around a little while and suffered the consequences of making a mistake about what they are doing here. It may all be a little humorous to a number of members opposite, but some of us who are concerned for labour and the rights of labour in Canada do not regard it as humorous. Rather than identify the individual to whom these remarks are directed—he is relatively new around here—I will let him get away with it for once.

The step we have taken tonight is not a very healthy one for this parliament. The minister himself has indicated that this was not the procedure he would like to find himself pursuing. I hope that is true of all of us. When the House of Commons finds itself called upon arbitrarily to settle the terms of a collective agreement between two parties, I think we ought seriously to review our procedures, not only those in Part V of the Canada Labour Code but those set out in other legislation dealing with relations between employers and employees.

I have reservations about this bill which go beyond the fact that we are dealing with the terms of a collective agreement. They concern the very nature of the relationship between the Maritime Employers Association, the longshoremen's associations and the Government of Canada. The government is not here with completely free hands. It is party to a guarantee to secure to the banks certain amounts of money—I think the total amount owed by the MEA is now some $18 million.

The people have a right to know what is being done in this chamber tonight. The situation is not without conflict, and this conflict arises when it becomes apparent to those who are familiar with the financial obligations undertaken by the government—obligations which must, I suppose, be honoured—that the government is committed to honouring a debt of the Maritime Employers Association. It is in the best interests of the government that this strike be settled. It is not necessarily in the best interests of the employers and members of the unions involved, save for one respect.

• (2100)

However, clearly there is a conflict among those in the government seats about using this way of getting around an obligation that could very well follow should the strike be prolonged in the river ports to the point where the Maritime Employers Association might be forced to default in their undertakings to two of the principal banks that advanced them money, firstly for their retirement program two or three years ago and latterly for other reasons. I do not think we should let the bill go out of committee without some observation being made in this regard.

I find this proceeding distasteful. I abstained from voting for that reason, in part. Perhaps, more fundamentally, I abstained because this is the second time in the nine or ten years I have been here that this chamber has been caught up in determining the terms of settlement for a collective agreement between two parties. I am also somewhat disturbed about this proceeding, even though the difficulty has arisen in large measure because of abuse of the legal right to picket by striking employees albeit on

legal strike. I find no capacity within my thinking to tolerate or accept this, and I do not think any other member of the chamber does. I regret very much that the laws that now exist are not sufficient to correct this situation and that the government has used this thinly disguised pretext for bringing this measure before us. I regret that the existing authorities could not be invoked to protect the right of Quebec producers to have access to feed grains.

Based on the debate that we had a week ago tonight, I suspect that the urgency of this matter is not the national interest but that much narrower concern. Had we been dealing tonight with that much narrower concern, I would have felt a lot better as a member of this chamber. But we are not. We are here, as we all know, arbitrarily imposing upon employer and employee the terms of their collective agreement for the next two or three years. I regret this and I hope it will not be a precedent. I hope the minister's caution to the parties to the collective agreements will be taken at its face value and that this parliament does not intend lightly to find itself back in this position. The collective agreements with respect to the ILA and the Maritime Employers Association are ongoing in Saint John and will come up again in Halifax.

I hope that members of the unions involved, particularly the member companies of the Maritime Employers Association, do not sit too comfortably in their chairs tonight—I am not suggesting that they will do so—laughing at some of us because, in their opinion, they feel we have been dupes or pawns, unaware of some of the ramifications and implications of what lies behind the action of this parliament in ordering men back to work on the basis of a conciliation report.

I hope the minister will flex his muscles a bit and find some way to force parties to collective agreements to get on with the job of working out their problems. In my opinion, it was not good enough for the mediator in this case to meet with the parties once or twice and then wander off for three weeks. I am suspicious of that. I do not think we put our fullest effort into bringing the two sides together. The fact that they said they were not going to talk, and broke off discussions because of an apparent inability to get together, is all part of the adversary system. We may not like that, but we accept it. But it does not mean that the two sides cannot be brought together. In this case it is a matter of personal regret that a greater effort was not made so that we might have avoided doing what we are doing tonight.

Mr. Andre: Madam Chairman, I shall not keep the chamber long; I just want to add a few remarks to those of my colleague who has just resumed his seat. I have come out of this experience feeling used. In participating in the debate and voting for this bill which I think is necessary, essentially I am an arbitrator: I am arbitrating a labour dispute—and I just do not have the competence to do that. I submit that none of us in this chamber has the competence to make such a decision at this time.

Mr. Benjamin: That is what our amendment said.

Mr. Andre: This is the fourth time in the 2½ years I have been in this chamber that we have acted on legislation like this. It is the second time that we have been arbitrators. Once we were partial arbitrators, and only once did we in fact ask for arbitration by a competent arbitrator.

Collective bargaining procedures in most cases make provision for the four steps of negotiation, mediation, conciliation and arbitration. Each of those steps requires expertise, talent and time for the individuals concerned to look at the facts, to hear both sides of the story and to do what they can to bring about a solution. In this case we are being arbitrators and imposing a solution with none of the necessary study or expertise required; and this leaves me, as I say, feeling used. I think it is a most unsatisfactory way of proceeding.

Mr. Benjamin: Did you support our amendments?

Mr. Andre: The hon. member from the NDP keeps interjecting and asking about their amendments. He would have us acting, of course, as partial arbitrators, which is the worst possible thing. The one advantage here is that we are acting upon the recommendation of a well known labour expert by the name of Judge Gold and there is some comfort to be derived from this. But even that is not sufficient because I do not have the competence, and I think no one else here has, with due respect to Judge Gold, to make a judgment without having participated in the whole process.

I suggest to the minister and those on the other side that it is time something was done to find a permanent and more satisfactory structure for resolving these sorts of situations. I think it is ridiculous to demean parliament by continuing this procedure at the rate we have. Surely some permanent structure can be worked out which will be fair, equitable and just and will not amount to asking this House to arbitrate a labour dispute in this manner. It is time some leadership was shown.

Mr. Stanfield: Madam Chairman, I wonder whether the minister is in a position to give us an assurance tonight that the House is not going to be asked to do any more of this sort of thing for the next three years because we are going to have a beautiful consensus in the country.

Mr. Munro (Hamilton East): I am very optimistic, Madam Chairman.

Clause agreed to.

● (2110)

Title agreed to.

Bill reported.

Mr. Munro (Hamilton East) moved that the bill be read the third time and do pass.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, we agree with the views which have been

expressed by a number of members to the effect that this is a distasteful business. I have listened many times to speeches in which people have said, "Let it not happen again"—but it seems to continue to happen. Even so, I think when in the view of the government the time is reached when legislation of this kind must be introduced, it should be tempered as much as possible.

We felt very strongly, and acted accordingly in committee of the whole on the bill, that the compulsory part of this settlement should apply only to the wages and not to some of the other features of the Gold report, including those having to do with job security. We also felt that the provision for an arbitrator which has been included in other legislation should have been included in this bill, if we must have a bill of this kind at all. We feel very strongly that a bill which just legislates the whole package and leaves no room for adjustment other than such adjustments as both parties agree to is not an example of parliament at its best.

Mr. Speaker, we regret that the committee of the whole did not see fit to accept the amendments we proposed. We feel, therefore, that the House should have an opportunity to reconsider this matter. To be specific, we think the House should have a chance to reconsider the narrowing of the compulsory element in the case of both groups, the longshoremen and the checkers and repairmen, and that in both cases we should reconsider the question of appointing an arbitrator. For this reason, we intend to move, as an amendment to third reading of the bill, that it be referred back to the committee of the whole House for the purpose of considering the subjects to which I have just referred.

The technical way to do that is to move a reference back for the purpose of reconsidering the precise clauses that need to be reopened in order to deal with these two matters. I say that so there will be a clear meaning to the amendment I shall read momentarily. The amendment just refers to clause numbers, but if one looks at the bill and those numbers he will realize we are asking for reconsideration of two propositions, namely, narrowing the compulsory feature of the Gold report to the wage settlement, and the appointment of an arbitrator in both cases. Therefore, I move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That Bill C-59 be not now read a third time, but that it be referred back to the committee of the whole House for the purpose of reconsidering clauses 5(3), 7, 8, 11(2), 13 and 14 thereof.

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

Some hon. Members: No.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I shall only take a few minutes to ask the House, particularly my colleagues, the hon. member for Calgary Centre (Mr. Andre), the hon. member for Vancouver South (Mr. Fraser) and the hon. member for Dartmouth-Halifax East (Mr. Forrestall), to consider this third reading amendment on the basis of their argument and proposition. I say immediately that our amendment does not mean that there will be prolonged delay in the passage of this legislation. In fact, if the House accepts the amendment it means that we will revert to committee of the whole for five or ten minutes, accept the amendments we moved at the committee stage, return to third reading and pass the kind of bill that my colleague the hon. member for Vancouver South and I suggested we should have so that we will not be legislatively arbitrating a settlement of the most contentious part of the dispute at these three ports, namely, job security. That is all our amendment is addressed to, and all we are asking the House to do now is reconsider what we failed to do in committee of the whole.

[Mr. Knowles (Winnipeg North Centre).]

I reiterate that legislating that portion of the Gold report which is in very serious dispute can mean only that we will end up having even greater industrial strife at these three harbours in the months ahead. I hope I am wrong in this prediction, but from past experience in similar instances when we have dealt with legislation in the House in respect of industrial disputes and a settlement has been unfairly arrived at, it has lead to more industrial strife.

I agree with the hon. member for Calgary Centre that in respect of the amendment we are appointing an arbitrator to arbitrate part of the dispute in contention, but from what I have been informed and have read, the only really serious issue in contention is job security. I believe that most, if not all, of the other recommendations in Mr. Justice Gold's report are acceptable in whole or in part to both sides of the dispute, but job security is an issue which is of even more serious consequence than the issue of wages. I think both sides will accept, on the issue of wages, Mr. Justice Gold's recommendations.

If the House accepts this amendment, it will not mean there will be a prolonged delay of the legislation. We could still be out of here by ten o'clock. If we were to accept the amendment moved in committee of the whole, we would not be placing this parliament in the position of legislating a back to work law about which the hon. member for Vancouver South, the hon. member for Calgary Centre and the hon. member for Dartmouth-Halifax East expressed fears, as I believe did the hon. member for Bellechasse (Mr. Lambert).

● (2120)

The issue to which I have referred is most contentious and could cause us serious difficulty in the months ahead. Let us take the matter of job security out of the legislation and put it in the hands of an arbitrator, whose decision would be binding in the same way as the decision of the arbitrator in the Vancouver situation. I admit this is only on that one issue, but it is the main issue and the one that caused this strike in the three ports. Surely it is not unreasonable to place this serious issue in the hands of an arbitrator rather than members of parliament legislating that kind of settlement.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I simply want to indicate that I find it difficult to believe that the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Regina-Lake Centre (Mr. Benjamin) are serious in making a motion such as this, when the matter has just come out of the committee. I have to say that I find it difficult to take the motion seriously.

I want to add just one more sentence. I notice in connection with this kind of bill that judging from previous

occasions my friends in the New Democratic Party usually vote for the bill on second reading, then put in some amendments that are rejected in committee, and vote against the bill on third reading in order that they may be on both sides of the question right through the piece.

Some hon. Members: Hear, hear!

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I merely want to correct an impression that might have been left by the hon. member for Regina-Lake Centre (Mr. Benjamin). He is absolutely right when he says I find it almost abhorrent to be called upon to be an arbitrator. I think it is wrong for parliament to be called upon to be an arbitrator. It is an inappropriate procedure.

The one redeeming feature of this bill is that the conciliation report on which this legislation is based was assembled by a man of high repute. His repute is indisputable. Therefore I guess we can put up with the embarrassment of being called upon to arbitrate this dispute.

To follow the suggestion of the NDP in this regard of looking at this conciliation report and saying this clause is fine, that clause is not, this clause is fine, that clause is not, is to in cast a doubt on this report by the commissioner. If we were in fact to do that, there is no way I could feel in justified in going along. The one redeeming feature is that we are basing our arbitration on a report by a man who is well reputed and whose judgment we can trust. That does not get away from the fact I still find it repugnant for parliament to be called upon the act as arbitrator.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I had not intended to join in this debate because the case for our party has been fully put by other spokesmen. However, I cannot refrain from replying to the comment made by the Leader of the Opposition (Mr. Stanfield).

The suggestion was made that somehow the NDP is doing something that is inappropriate when it agrees in principle with a piece of legislation, then tries to get it amended, and when it fails to get through the amendment that it desires, votes against it in the final stage. Surely that is what the parliamentary process is all about. Just because the Conservative party makes not effort to propose serious amendments to legislation is a rather poor reason for criticizing those who do.

In so far as the Leader of the Opposition thinks it is necessary to provide some argument to justify our position, I will add one other point. The NDP took the same position on the last back to work legislation we had before the House. We agreed with it in principle. Unlike the Conservative party, we proposed amendments which were accepted by the House, and we voted for the bill on the final reading.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, despite the feeling of some members of this House, I feel the amendment makes good sense, particularly if one has had any connection with labour and management problems. I am not only concerned because the right to strike has been taken away, but the right to further negotiate is being interfered with. If this amendment is not accepted we will be leading this country labour relations-wise into a real jungle of labour management problems and confusion. Labour and management will always be dependent on government to write compulsory labour agreements. I do not think that is the function of parliament. It is not fair to the employee or the employer, and is not in the public interest. I think this is a darn poor precedent for this parliament to establish.

● (2130)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as I said in my statement this afternoon, I thought this bill was based essentially on a report submitted by the conciliation commissioner, Mr. Justice Gold, to the Minister of Labour (Mr. Munro) and dated March 14, 1975. In a letter sent on the same day to the Minister of Labour, Mr. Gold wrote, among other things:

> I regret to inform you that, although both sides tried their best during our almost daily meetings since I was appointed as conciliation commissioner, on December 24, 1974, they have not managed to reach an agreement. You will therefore find herewith my report and recommendations by way of a collective agreement draft.

Mr. Speaker, I sincerely believe Mr. Justice Gold submitted that report to the Minister of Labour as the result of a very serious work; he himself reports: "Almost daily meetings". In other words, considerable attempts were made to reach an agreement, a conciliation, to sign a collective agreement which would satisfy both employers and employees. Unfortunately, after many meetings, they were unable to reach an agreement. And since March 14, the Minister of Labour let hold of events. We asked him questions in the House; we were concerned, and rightly so, about the effects of such unfortunate work stoppage, on behalf of workers and of those who suffer from this situation, in particular farming producers in the province of Quebec. More than a month later since today is April 23, the Government eventually decided to introduce a legislation, not of their own free will as the minister said, but because the parties of the dispute did not manage to reach an agreement even thanks to such a highly competent man as Mr. Justice Gold, who made every possible effort to try and reach an agreement acceptable to both parties.

This afternoon, a bill was introduced, Bill C-59. All the hon. members had the opportunity to give their opinion about the principle of the bill. Then, we studied it in committee of the whole. It is obvious that the bill pleases no one, at least not the hon. member for Bellechasse, but in view of the urgent need for a settlement, something has to be done in the interest of the public, and Parliament must legislate. I understand that NDP members have moved amendments with all their usual sincerity. I am convinced that these members wanted to take part in the debate and make, or at least suggest, amendments so that the bill would be more in keeping with the aspirations of the workers.

Since we have been in committee of the whole since the House resumed tonight at 8 p.m., and have made a clause by clause study of this bill, I believe that every effort has been made by Parliament to provide a measure as fair as possible to the workers and the employers. It is quite obvious that when we drive a car and must apply the brakes at a given time, the speed of the car is reduced. We reach our destination later, but this is sometimes necessary to avoid losing control in a detour. This is what we

must do today in Parliament. We are aiming at bringing back together parties who do not agree, without taking sides. We want to solve a problem and we are giving them time, in the next weeks and months, to continue to negotiate and to understand each other.

Mr. Speaker, it is in this spirit that Parliament has made a serious study of this bill, and I hope that tonight we shall be able to go through the final stages of the bill in the House of Commons, even if we have to let the Senate do its own work later.

For my part, I am ready to support the bill, as I said earlier, so as to put some order in this matter and avoid the worst.

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

● (2140)

(*Division No. 33*)

YEAS

Messrs.

Benjamin
Blackburn
Broadbent
Douglas (Nanaimo-Cowichan-The Islands)
Gilbert
Jones
Knowles (Winnipeg North Centre)
Orlikow—8.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allard
Allmand
Andre (Calgary Centre)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Bawden
Beatty
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau
Brisco
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Clarke (Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Danson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Dupont
Dupras
Duquet
Elzinga
Epp
Ethier
Flynn
Forrestall
Fortin
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Halliday
Herbert
Holmes
Holt (Mrs.)
Horner
Huntington
Jarvis
Joyal
Kempling
Korchinski
Lachance
Lajoie
Lambert (Bellechasse)
Lambert (Edmonton West)
Landers
Lapointe
La Salle
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Saint-Henri)
Lumley
MacDonald (Miss) (Kingston and the Islands)
MacFarlane
MacGuigan
Marceau
Martin
Masniuk
McKenzie
McKinley
McKinnon
Morin (Mrs.)
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Neil
Nicholson (Miss)
O'Connell
Ouellet
Paproski
Pearsall
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Pinard
Portelance
Poulin
Reid
Richardson
Ritchie
Roche
Rompkey
Roy (Laval)
Schellenberger
Scott
Sharp
Skoreyko
Smith (Churchill)
Smith (Saint-Jean)
Stanfield
Stollery
Tessier
Towers
Trudel
Turner (London East)
Whiteway
Wise
Woolliams
Young—126.

Mr. Speaker: I declare the amendment lost. The question, therefore, is on the motion for third reading. Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): On division.

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

On motion of Mr. Sharp the House adjourned at 10.19 p.m.

HOUSE OF COMMONS

Thursday, April 24, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS

PROPOSAL TO INCREASE FUNDING OF NATIVE ORGANIZATIONS PARTICIPATING IN BERGER COMMISSION HEARINGS—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the importance of the Berger commission hearings to the people of the Canadian north and, indeed, to all of Canada, and in view of the necessity of providing adequate funds for research and educational work if the native and environmental groups are to have a significant input to the Berger hearings, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the government to review its level of funding for the native and environmental groups involved in the Berger commission hearings, with a view to restoring such financial support to a level that will permit an adequate degree of research and educational work.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be presented or debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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IMMIGRATION

REQUEST GOVERNMENT ACT TO BRING TWO DAUGHTERS OF MRS. LAM FROM VIET NAM—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 on an urgent and pressing matter concerning the fate of two small children in South Viet Nam. I believe this is a matter that rises above any political consideration, on which hopefully there might be unanimity in the interests of humanitarianism. I would move, seconded by the hon. member for Provencher (Mr. Epp):

That, in regard to Mrs. Lang Lam and her two sons who are landed immigrants from South Viet Nam living in Toronto, and in consideration of the fact that Mrs. Lam's two small daughters age 13 and 15 still remain in Saigon in serious danger of being trapped there, the House asks the government to consider taking whatever steps it feels may be necessary to hopefully bring about the safe evacuation from Saigon and transportation to Toronto of these two children.

Mr. Speaker: Order, please. The motion being presented pursuant to Standing Order 43 cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

VIET NAM—METHOD OF DEALING WITH EVACUATION OF VIETNAMESE IN VIEW OF WITHDRAWAL OF CANADIAN DIPLOMATIC PERSONNEL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, inasmuch as the government has now withdrawn its diplomatic personnel from Saigon, in what way is the government now trying to arrange the evacuation of Vietnamese personnel and families, and I think particularly of those who are long-term employees of the Canadian government offices in Saigon or in Viet Nam?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it was my impression that all the Canadians who were in Viet Nam had either decided to stay or had taken advantage of the opportunities to get out. Perhaps the Leader of the Opposition could be a little more specific as to particular cases?

VIET NAM—NUMBER OF VIETNAMESE DESIRING TO COME TO CANADA AND GOVERNMENT'S ATTITUDE TOWARDS THEM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question does not relate to Canadians, but rather to Vietnamese who have worked for the Canadian government and have expressed a desire to come to Canada. How many such Vietnamese employees have expressed a desire to come to Canada and what is the intention of the Canadian government with regard to these people?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of Manpower and Immigration can answer in detail on the policies we have been following, but in general we have been prepared to accept Vietnamese who are related to Canadians, or people of the kind referred to by the Leader of the Opposition. The

difficulty arose not on our side, in that we were prepared to grant visas, but arose because they could not get exit permits.

Mr. Stanfield: Mr. Speaker, my question was asked in respect of long-term employees of the government of Canada and the Acting Prime Minister has not told me how many there are of those who wish to come to Canada. Let me put my question this way to the Acting Prime Minister.

Some hon. Members: Hear, hear!

● (1410)

Mr. Stanfield: How many government employees, for example, who are Vietnamese and want to come to Canada have been refused permission by the Vietnamese authorities? Is it simply that they have been unable to obtain an answer, have been refused permission, or is it the attitude of the Government of Canada that in these circumstances the Government of Canada would not be justified in taking a humanitarian attitude rather than a strictly legalistic attitude toward people who have served this country for many years.

Mr. Sharp: Mr. Speaker, I do not have the number of applicants. Perhaps my colleague the Minister of Manpower and Immigration has some of the figures concerning the numbers who want to come and who have been granted visas by the Canadian government. I can only reiterate that the difficulty does not lie on our side. It has arisen from the fact that the government of the Republic of South Vietnam has not been prepared to issue the permits.

VIET NAM—RIGHT OF VIETNAMESE AUTHORITIES TO BOARD CANADIAN AIRCRAFT—POSSIBILITY OF HAVING IMMIGRATION OFFICERS IN SAIGON

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my supplementary is directed to the Acting Prime Minister. Does the Canadian government recognize the right of the South Vietnamese government to board Canadian aircraft and decide who travels on Canadian aircraft.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, so long as those aircraft are in South Vietnam they are under the jurisdiction of the Government of Vietnam.

Mr. Wagner: Mr. Speaker, I would have hoped that the government would adopt not a legalistic but a humanitarian attitude. Since the government is so concerned about South Vietnamese regulations will the government send several immigration officers to Saigon to facilitate the departure of those Vietnamese who receive exit permits whether they be staffers of the embassy or other Vietnamese?

Mr. Sharp: Mr. Speaker, I think this question should be directed to the Minister of Manpower and Immigration under whose jurisdiction this lies.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I totally understand the concern of opposition members in speaking on this question, but the presence of an immigration officer in Saigon would do nothing to solve the particular problem that my colleague has described. We have issued visas. We have sent over some 14,000 names of nominated and sponsored relatives which have been supplied to us by Canadians of Vietnamese or Cambodian origin in this country over the last two or three weeks. We have done our best to locate as many of those as possible but it is very difficult under the circumstances for obvious reasons. We did issue visas to several hundred before the South Vietnamese Government requested, quite forcibly, that we refrain from issuing such visas because they were not going to issue exit visas which is the prerogative of the South Vietnamese Government. Within the last short time, however, we have sent letters to some 1,100 families from a list which contains to the best of our ability all the people named and nominated from Canada, indicating our willingness to accept them in the nominated and sponsored category under special circumstances if they are able to get out South Vietnam. That is the point at which our difficulty arises.

Although this is in the external affairs area, I might say to the Leader of the Opposition that we did indicate to our people in Saigon several weeks ago that we would most certainly welcome and accept people of Vietnamese citizenship who were related in the sense the Leader of the Opposition described. But I come back to the point that up until very recently, up until this point, the difficulty has been in the obtaining of exit visas from the Government of South Vietnam which they have been refusing to adults between 17 and 43 years of age.

VIET NAM—METHOD OF DEALING WITH VIETNAMESE DESIRING TO COME TO CANADA

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, would the minister kindly tell the House how he proposes to handle these admissions now, if exit visas have been refused by the South Vietnamese Government?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have been in communication with the United States authorities in an effort to determine what plans they may have for large evacuations of people from that part of the world. We have indicated to them that in the case of any people such as I have described, to whom we have given written notice, if they can get out we will certainly honour our side of the situation in terms of receiving them in Canada. I have already described to the House what our approach would be to people not in the sponsored or nominated category who might apply under refugee status.

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INDIAN AFFAIRS

ALLEGED REDUCTION IN FUNDING OF NATIVE ORGANIZATIONS PARTICIPATING IN BERGER COMMISSION INQUIRY—GOVERNMENT POSITION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a few extremely important questions to ask of the Minister of Indian Affairs and Northern Development. It

has been reported that funding has been drastically cut-back to native and environmental organizations participating in the Mackenzie Valley pipeline inquiry. Does this cut-back in funding apply exclusively to participants in the inquiry or can the native organizations expect general cut-backs, including cut-backs in programs such as research programs, field workers' programs and land claims research?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, so far as the funding for Mr. Justice Berger's inquiry is concerned, in the fiscal year 1974-75 the native organizations received $400,000. For this fiscal year they will receive, in anticipation of the inquiry winding up by the end of the calendar year, so it would only be for the nine months, an amount of $300,000. That is the funding that has been provided for the native group, and it has no impact on the funding of other groups.

Mr. Firth: In view of the fact that only one of the 20 or so local community hearings have so far been held, and considering that a significant part of the expenditure by the native groups is for local research and educational work in connection with these community hearings, will the minister undertake to reconsider the level of funding for these organizations so that the community hearings can proceed in an orderly and thorough manner?

Mr. Buchanan: I will look at this situation again, but we would certainly hope that the funding could be within the allocated $300,000 for the nine month period.

ELIMINATION OF FUNDS FOR NORTHERN ASSESSMENT GROUP PARTICIPATING IN BERGER COMMISSION INQUIRY—REQUEST FOR REINSTATEMENT

Mr. Wally Firth (Northwest Territories): May I ask a third and final supplementary question of the minister? In view of the fact that the northern assessment group has had its budget cut completely, and in view of the fact that this group was charged with providing valuable technical support information to the native groups participating in the inquiry, would the minister reconsider the level of funding for this organization so that it may continue its essential role in the inquiry?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): The government has not funded the northern assessment group; it was funded through Mr. Justice Berger's allocation last year. There is an on going discussion which started as recently as April 21 with Mr. Justice Berger to see if he could use part of the $1 million allocation to assist the northern assessment group. He seemed receptive to the idea but the commission counsel, Mr. Scott, had some doubts. There are some on going discussions to see whether or not funds can be provided out of the commission's $1 million funding to assist the northern assessment group.

[*Translation*]

EXTERNAL AFFAIRS

GOVERNMENT POSITION ON TREATMENT OF ARMENIANS BY TURKEY

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Minister of External Affairs but, in view of his absence, my question shall be directed to the Acting Prime Minister.

Could he tell the House what is the Canadian government's position with regard to the fate of the Armenians who are now victims of the irresponsible attitude of two superpowers, the United States and the Soviet Union, whose only objective is to be on good terms with Turkey, a country that has been occupying the Armenian territory for the past 60 years, namely since the first genocide perpetrated in the 20th century by the Turks against the Armenians?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government of Canada recognizes the government of Turkey and deals with that government as a friendly power. The issue that the hon. gentleman has referred to is a long standing grievance of the Armenians but it is not one upon which we would make direct representations.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to ask a supplementary.

Since we have here in Canada several Armenians who have become excellent Canadian citizens, would it be possible to know whether this matter has ever been discussed at the United Nations by our Canadian officials, or even by our present Acting Prime Minister, formerly Minister of External Affairs?

[*English*]

● (1420)

Mr. Sharp: Not by Canada, Mr. Speaker. I cannot be certain that it has not been raised by some other country, but Canada, as I have said, has not felt that it had a special responsibility to raise this particular grievance of the Armenian people.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask a last supplementary.

Could the President of the Privy Council confirm to the House that the Canadian government really intends to make special representations at the United Nations and to the government concerned, so as to give justice to the Armenians?

[*English*]

Mr. Sharp: No, Mr. Speaker. As I have said, we have not thought it advisable to do so in the past, and I see no reason for changing our policy now.

Oral Questions

VIET NAM—REASON FOR REFUSAL TO ALLOW VIETNAMESE ON CANADIAN PLANE WHICH CARRIED AUTOMOBILE AND OTHER ITEMS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question which is supplementary to that posed by the Leader of the Opposition. I would like to ask the Acting Secretary of State for External Affairs which criteria were used in the decision to airlift a Japanese car, souvenirs and other sundry items out of Saigon but to refuse space to Vietnamese employees of the Canadian embassy on the same aircraft.

Hon. Mitchell Sharp (President of Privy Council): I would like to ask the Minister of National Defence, who is familiar with the details, to answer the question.

Hon. James Richardson (Minister of National Defence): One of our Hercules aircraft was in Saigon yesterday and brought 22 Canadians out of Saigon to Hong Kong. There were some pieces of equipment, and an automobile on board, but there was enough space in the aircraft for all who were either authorized to leave or who wanted to leave.

Mr. McGrath: In view of the fact that there was additional space on the aircraft to carry these questionable items, did the minister's department or our mission in Saigon make any effort to ensure that there were no relatives of Canadians left behind who wanted to come to Canada?

Mr. Richardson: As I have already indicated, all who were authorized to leave or wished to leave could have been accommodated on the Canadian Forces plane. It is not the responsibility of the Department of National Defence to go beyond that.

Mr. McGrath: Might I ask the same question, then, of the Acting Secretary of State for External Affairs? What steps were taken to ensure that all relatives of Canadians were offered space on that aircraft who wished to come to Canada prior to the decision being made to allow these automobiles, etc. to be carried on the same aircraft?

Mr. Sharp: My colleague has made it quite clear that all those who wanted to leave and were authorized by the government of the country in which they were located to leave could have been accommodated. None appeared.

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INDIAN AFFAIRS

POSSIBILITY REDUCTION IN FUNDS WILL CURTAIL INPUT OF NATIVE GROUPS TO BERGER COMMISSION AND IMPAIR EFFECTIVENESS OF COMMISSION

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my questions are supplementary to those asked earlier by the hon. member for the Northwest Territories to the Minister of Indian Affairs and Northern Development. Does the minister agree that by cutting the budgets for these native groups he will seriously curtail a substantive input by the native people into the Berger Commission inquiry?

[Mr. Sharp.]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, this is certainly not the intention. It was felt that the funding last year would be primarily for research and work of that nature in preparation of the submission, and that the funds this year would be primarily for appearing before the body and for providing the educational aspect in the various communities where they were visiting. Our analysis suggested that the funding would be sufficient for those purposes.

Mr. Holmes: I am not quite satisfied with that answer, Mr. Speaker. Perhaps I could ask it in a different way. In view of the fact that these budgets have been cut, thus eliminating the major opposition group in terms of the inquiry, does the minister not agree that the objective of the Berger Commission, which reconvenes May 12, will be seriously compromised by the actions the minister has taken?

Mr. Buchanan: I assume that when the hon. member mentions the major opposition group, he is referring to the northern assessment group. As I indicated in reply to the hon. member for Northwest Territories earlier, we are still discussing with Mr. Justice Berger the possibility of providing these funds out of his allocation, as he did last time, since he was the one who originally provided the funds for the group.

Mr. Holmes: A final supplementary, Mr. Speaker. I am somewhat concerned that this implies some infringement on the part of the government on the Berger Commission. I should like to ask the minister what measures are being taken to ensure that any opposition groups will be able to present their briefs to the Berger Commission.

Mr. Buchanan: Mr. Speaker, I do not accept this suggestion that this is an infringement. Last year Mr. Justice Berger, in his wisdom, provided $200,000 to the northern assessment group for studies. This year he is examining the situation and presumably will make a decision on whether or not he intends to provide the group with funds.

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NORTHERN AFFAIRS

ALLEGED GOVERNMENT INTERFERENCE WITH BERGER COMMISSION AFFECTING INDEPENDENCE OF COMMISSION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, a supplementary question for the Minister of Indian Affairs and Northern Development. Given the number of occasions the government has interfered with this inquiry since its inception, does the minister seriously think the Canadian public will continue to regard this as an independent inquiry? Is it not merely a whitewash for a decision the government has already taken to proceed with the pipeline?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have full confidence that Mr. Justice Berger will do the task assigned to him in first class fashion. I do not accept the premise of the question.

Miss MacDonald (Kingston and the Islands): A further supplementary. While everybody might have full regard for Mr. Justice Berger they do not have the same confidence in the government not to interfere with his inquiry.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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THE CANADIAN ECONOMY

INFLATION—NECESSITY OF PARTICIPATION OF MAJOR UNION IN CONSENSUS PROGRAM OF RESTRAINT—POSSIBILITY OF PROPOSALS ON EMPLOYMENT GROWTH AND JOB SECURITY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, a question for the Acting Minister of Finance. Since the government recognizes that no one group will co-operate unless it knows others will be exercising similar restraint, is it the position of the government that the participation of the major unions such as the United Steel Workers would be a pre-condition to the consensus program?

Hon. C. M. Drury (Acting Minister of Finance): Mr. Speaker, this is the kind of issue that is currently being discussed. To lay down, in the form of ultimata, what people must do or must not do would not help the process of trying to find a consensus.

Mr. Fraser: A supplementary question, Mr. Speaker. Can the minister tell the House whether the government has presented any policy with regard to employment growth and job security for the consensus period and, if so, have any proposals been prepared on this matter to be part of a consensus package?

Mr. Drury: Mr. Speaker, obviously there are a number of possible scenarios which are not being prepared, projected or discussed in detail but rather there is a process of seeking consensus on general principles such as was enunciated by the Minister of Finance to the first ministers' conference and subsequently communicated to the House.

INQUIRY WHETHER QUESTIONS OF CANADIAN LABOUR CONGRESS BEING ANSWERED

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I also have a question for the Acting Minister of Finance regarding the consensus. Can the Acting Minister of Finance tell the House whether the questions of the Canadian Labour Congress regarding low income workers and other important matters have been answered or will be answered and not held up until the return of the Prime Minister or the Minister of Finance?

Hon. C. M. Drury (Acting Minister of Finance): Mr. Speaker, in respect of specific questions, we are working on these to find answers as quickly as possible.

POST OFFICE

LETTER CARRIERS—REQUEST FOR REPORT ON POSSIBILITY OF SIGNING CONTRACT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to ask the Postmaster General if he can confirm reports that the long slide to chaos in the Post Office Department, if I may use a quote from a leading newspaper on the subject, "has been arrested" and that based on the element of goodwill that the Postmaster General's involvement in the negotiations has engendered, a contract has been signed with the Letter Carriers' Union of Canada?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am pleased to announce that less than an hour ago we were able to reach a collective agreement with the Letter Carriers' Union.

Some hon. Members: Hear, hear!

● (1430)

Mr. Mackasey: Furthermore, Mr. Speaker, in order to reduce—

An hon. Member: Is the price right?

Mr. Mackasey: Somebody opposite asked if the price is right. Considering that the Post Office workers are among the lowest paid workers in the Public Service, I am dissatisfied when somebody over on the other side makes innuendoes about the price being right. These are the most underpaid people in the Public Service and I think the settlement they got, based on the terms of the report, is a fair one.

Finally, Mr. Speaker, I will do something I rarely do in the House, because I am as political as the opposition. I should like to say this: The hon. member for Brandon-Souris played a considerable role in convincing certain members on the negotiating team about the fairness of the settlement and in shortening the period of negotiation.

Mr. Speaker: The hon. member for Brandon-Souris, on a supplementary.

Mr. Dinsdale: Mr. Speaker, if I may risk a supplementary.

An hon. Member: It's a commercial.

REQUEST MINISTER CONTINUE NEGOTIATIONS WITH POSTAL WORKERS ON ISSUES OF CASUAL WORKERS AND AUTOMATION

Hon. W. G. Dinsdale (Brandon-Souris): I would carry the discussion one stage further and ask the hon. gentleman if he is now going to move to the other side of the puzzle and continue the same vigorous negotiations with the Canadian Union of Postal Workers, giving particular emphasis to the issues of automation and casual workers.

Hon. Bryce Mackasey (Postmaster General): Yes, Mr. Speaker. With the co-operation of my close friend, the President of the Treasury Board, I do not think we will in any way be impeded in obtaining a fair settlement which

will take into consideration the restraint the labour movement has to exercise at this time because of inflation. This concern will be reflected, I think, in the letter carriers settlement when it is divulged to the membership. There is no reason why, if the same common sense type of responsibility is shown by inside workers of CUPW, the problems which separate us cannot be resolved. Once again I hope the hon. member for Brandon-Souris will use his influence behind the scenes to expedite this settlement.

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TRADE

CANADA-UNITED STATES AUTO AGREEMENT—POSSIBILITY OF DISCUSSIONS WITH UNITED STATES LEADING TO IMPROVEMENT FOR CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Considering the record $1.3 billion deficit in Canada-U.S. automotive trade last year and the fact that some 20 per cent of those normally employed in the automotive parts industry are now without jobs, can the minister inform the House whether at the meeting which took place in Ottawa last Friday between Canadian and U.S. officials some decisions were reached which will lead to an improvement in the situation for Canada.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I cannot report any specific progress, although I think that when officials of two governments are speaking, that is progress. I think it should be clear that the auto pact is not up for renegotiation at present.

AUTO PARTS—GOVERNMENT MEASURES TO IMPROVE SITUATION OF MANUFACTURERS

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. Since the specific proposals the minister brought forward in the last few days to deal with the lamentable situation in the parts industry pertained to only about 5 per cent of that industry, to a part not covered by the Canadian-U.S. pact, and as the major problem in the parts industry is associated with Canada-U.S. trade in auto parts, has the government any policy changes to suggest which would improve the situation for Canadian auto parts producers.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the auto parts industry, like other parts of the automobile industry, will recover its sales as soon as the United States market recovers. Clearly, that is the major market for auto part sales. We are trying to assist the auto parts industry to find new markets outside Canada. The particular measure the hon. member referred to is aimed at providing incentives for foreign automobile manufacturers to purchase Canadian-made auto parts.

An hon. Member: You have got to be kidding!

[Mr. Mackasey.]

CANADA-UNITED STATES AUTO AGREEMENT—SUGGESTION CANADA BE GUARANTEED RIGHT TO PRODUCE EQUIVALENT IN DOLLAR VALUE OF CONSUMPTION

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. Considering the difficulties which, from the Canadian point of view, have arisen from the current practices engaged in under the Canada-U.S. automotive agreement, can the minister tell the House whether the Canadian government is proposing certain specific changes in that agreement; more particularly, would the government favour a proposal that would guarantee to Canadians the right to produce in dollar value, averaged over a two or three-year period, that level which we actually consume in automotive cars and parts.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, when the automobile market in the United States is good, Canadian automobile parts manufacturers participate. Nevertheless, when the market turns down, they have to take their lumps along with everybody else.

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STATUS OF WOMEN

ADVERTISEMENT IN "GLOBE AND MAIL" BY ORGANIZATION CALLED ZERO POPULATION GROWTH—REQUEST FOR ACTION

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is for the Minsiter of National Health and Welfare. In view of the minister's responsibility for the status of women in our society—

Some hon. Members: Oh, oh!

Mrs. Appolloni: —what action—

Some hon. Members: Oh, oh!

Mrs. Appolloni: As I was saying before I was so rudely interrupted, what action does the minister intend to take in response to the heavily sexist and distastefully anti-feminist advertisement appearing in today's *Globe and Mail*?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member would have to give me the page.

Some hon. Members: Oh, oh!

An hon. Member: Watch out, Marc. Here it comes.

An hon. Member: Serve him!

Mrs. Appolloni: I hear the hon. member. The minister will be served.

Some hon. Members: Hear, hear!

Mrs. Appolloni: Mr. Speaker, my supplementary question is addressed to the Minister of Manpower and Immigration. What action does the minister plan to take, in view of the racist overtones of this same advertisement.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this advertisement was drawn to my attention this morning. The main subject matter has to do with immigration. It is put out by an organization called Zero Population Growth, an organization with which I am not familiar and of which I have no knowledge.

An hon. Member: Talk to Otto Lang about it.

Mr. Andras: I can only say that I will consult my colleague, the Minister of Consumer and Corporate Affairs, who may want to enter the act as well and determine the ethics of this advertisement. Beyond that I have no further comment.

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

Mr. McKenzie: A supplementary—

INQUIRY WHETHER SAME AGENCY HANDLED ADVERTISING FOR INTERNATIONAL WOMEN'S YEAR AND ORGANIZATION CALLED ZERO POPULATION GROWTH

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I would ask the minister in charge of International Women's Year if the agency which is handling the "Why not" and all the rest of the International Women's Year chauvinist publicity is the ad agency which handled the advertisement just referred to. If not, can he find out which agency handled this advertisement.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have nothing but praise for the agency which handled the International Women's Year publicity program, especially as the account executive in charge of the program is a very able woman working in the field of publicity and advertising. As far as the particular advertisement mentioned is concerned, the sponsor is a private organization. Therefore the advertisement has nothing to do with the government. Obviously I cannot answer the question asked by the hon. member.

● (1440)

Mrs. Holt: The minister did not answer my question.

An hon. Member: Now, you know how we feel.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

ALLEGATION CIDA PROJECT FUNDS IN NON-INTEREST BEARING ACCOUNTS—SUGGESTION FUNDS BE TRANSFERRED TO INTEREST BEARING ACCOUNTS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Acting Prime Minister. At the External Affairs committee meeting this morning, CIDA officials revealed that millions of dollars of CIDA project funds are deposited in non-interest paying deposit accounts around the world. Will the Acting Prime Minister investigate this, have these funds transferred to interest paying accounts and have the interest returned to Canada where it belongs?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take the suggestion under consideration. I assume this matter was discussed in committee and answers were given by the organization that is responsible.

ALLEGATION CIDA EMPLOYEES INSTRUCTED NOT TO COMMUNICATE WITH MEMBERS ABOUT PROJECT DIFFICULTIES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, the answers given this morning were not satisfactory. I have a supplementary question. Will the Acting Prime Minister also investigate whether CIDA officials are instructing CIDA employees in Kenya not to contact members of parliament with regard to project problems?

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker, I will investigate this.

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ENERGY

NATURAL GAS—EFFECT OF DECISION TO CHANGE TIMING OF INCREASE IN EXPORT PRICE ON HYDROCARBON EXPORT POLICY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Does the minister's decision to reconsider the timing and price in respect of the export of natural gas to the United States represent any change in the government's hydrocarbon export policy other than extending the time at which the price increases will be phased in?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there was no final decision by the government on this matter. There will likely be a further exchange with the United States. I hope a decision will be made within the week. If the hon. member is thinking ahead on the question of supply, this will have no impact from a supply standpoint.

NATURAL GAS—POSSIBLE ADVANTAGE TO CANADA IN CHANGING DATE OF INCREASE IN EXPORT PRICE—DATE OF ANNOUNCEMENT OF NEW DATE

Mr. James Gillies (Don Valley): From the viewpoint of the government, what particular advantages have accrued to Canada by changing or extending the time at which the proposed price increases will come into effect?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is a question I ask myself.

Mr. Gillies: I hope the minister gets an answer to that question from himself. Has August 1, the previously scheduled date for the phasing in of these increases, been

changed and, if so, when will the minister announce what the new date will be?

Mr. Macdonald (Rosedale): Mr. Speaker, there has been no change in that. As I say, there has been no final decision yet.

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HEALTH

REQUEST FOR INCREASED FUNDS FOR RESEARCH ON ARTIFICIAL PANCREAS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to ask the Minister of National Health and Welfare a question regarding the funding of the artificial pancreas, now technically operative and able to do the work of a failing diabetic pancreas on demand. Apparently all that remains to be done is to reduce the artificial pancreas to a micro-sized implantable one, the same as we have done with the pacemaker. I believe this particular project needs special consideration both historically and scientifically. Insulin was discovered 50 years ago in Toronto, Ontario. It was world startling and brought hope to millions of people.

Mr. Speaker: Order, please. The hon. member should ask this question.

Mr. Rynard: I wanted to place this in context because of the importance of the situation. In view of all the tradition and interesting scientific possibilities, will the minister use his good offices to approach the Medical Research Council and ask them to have another look at those priorities?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for having given me notice of this question. I am advised by the Medical Research Council that discussions are continuing between the investigators concerned and the Medical Research Council. We expect another proposal to be put forward before long. The MRC does not consider the matter as closed.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGATION DR. SHULMAN HAS FILES BELONGING TO FORCE ON POLITICAL AND UNION LEADERS—GOVERNMENT POSITION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is to the Solicitor General. Is the minister aware of Dr. Shulman's most recent allegation that he has RCMP files on political and union leaders in Canada? Did the minister instruct the RCMP to investigate what happened and just what is the political division of the RCMP?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, every time I hear this story, it is a little bit different. However, the RCMP did investigate all the allegations that Dr. Shulman made. They have questioned him on several occasions. As far as I know, there is no truth whatsoever with respect to what Dr. Shulman is reported to have said.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

ALLEGED DECISION TO REDUCE LABOUR FORCE—MINISTER'S POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to put a question to the Minister of Labour.

Is he aware of a telegram from the union members of the Canadian National protesting against the decision of the president to reduce its labour force by 10 per cent and does the minister intend to order an inquiry as to whether such layoffs are justified?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, at this moment I am not aware of the telegram. I will check my office to see if it arrived in the last hour or so. If a telegram of that nature should arrive, I agree with the hon. member that it is a very serious matter indeed and I will look into it.

* * *

MANPOWER

WOMEN'S CAREER COUNSELLING CENTRE—REASON FOR FAILURE TO RENEW CONTRACT

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the fact this is International Women's Year and in view of the Prime Minister's statement of January 22 about Canada's program of support, which includes federal funding of groups and organizations, I wish to ask the minister why the Ottawa Women's Career Counselling Centre, an innovative and creative project funded under his department's Outreach program, has not been offered renewal of the full 12 month contract it sought and which is essential if the project is to survive.

Mr. Speaker: Order, please. I do not think it is reasonable to expect the minister to have that kind of information at his fingertips.

* * *

INDUSTRY

DATE OF ANNOUNCEMENT OF INDUSTRIAL STRATEGY FOR CANADA

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Some time ago the Minister of Industry, Trade and Commerce, speaking to the House stated, and I quote, "I think most people have gained the expectation that all we have to do to solve everything is to produce some sort of all-purpose grandiose government game plan called 'an industrial strategy for Canada'". However, last week to a

Liberal fund raising dinner, the Prime Minister stated and I quote, "we are creating a national industrial strategy." In light of this commitment, when will the minister be announcing this, to use his words, "all-purpose grandiose government game plan called an industrial strategy for Canada"?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have made it quite clear on a number of occasions that one strategy is not going to be sufficient for Canada. We have various industrial sectors. We are currently working on 19 separate industrial strategies for Canada for 19 specific sectors.

Mr. Andre: Is the minister confirming to the House that the Prime Minister's statement that we are creating a national industrial strategy is inaccurate or at least incomplete?

* * *

FISHERIES

EFFECT OF RECOMMENDATION NO INCREASE IN NUMBER OF VESSELS FISHING GROUNDFISH ON PROPOSALS AT LAW OF SEA CONFERENCE—AVAILABILITY OF FUNDS FOR SHIPBUILDING

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of State (Fisheries). In view of the minister's statement outside the House yesterday outlining a $50 million federal program to assist the fishing industry and his recommendation that there should be no increase in the number of vessels fishing groundfish stocks, will he tell the House if this means the government has given up all hope of securing agreement at the Law of the Sea Conference on Canada's proposal to manage the resources on our continental shelf, since this area would require increased rather than decreased fishing effort. Also, will any funds be made available for assisting shipbuilding this year?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, with regard to the first part of the question, in no way does this decision indicate that we have given up hope of securing agreement on our proposal to manage resources on our continental shelf. I will check into the exact wording, but what I meant to say was, in the area where the species are already heavily exploited, we should not extend that type of fishery. With regard to the other part of the hon. member's question as to boat building subsidies, I hope to be in a position to announce something within the next 15 days.

● (1450)

Mr. Crouse: Mr. Speaker, I have a supplementary question for the minister. Since the minister's statement really signals to the world that we have no intention of increasing our fishing activity at this time, thereby placing in serious doubt our delicate bargaining position at the Law of the Sea Conference, why was the minister's statement covering the freezing of our fishing fleet not delayed until the results of the Law of the Sea Conference were made known on May 10; and in light of the minister's statement will we be taking unilateral action to protect our resources in this area?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, in no way was I signalling to the rest of the world that we would be giving up anything. I was signalling to the rest of the world that the state of the fishery off our coast now is creating a situation so far as stocks are concerned in which we have to intervene with rather heavy financial commitments. It is important to tell the world community our priorities respecting our own coastline. This effort on our part to support the groundfish fishery is a good way to make the point.

* * *

EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—GOVERNMENT POSITION ON PROPOSAL TO SHARE REVENUE FROM MINERAL EXPLOITATION BEYOND 200 MILE ZONE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is supplementary and bears on the Law of the Sea and it is directed to the Acting Prime Minister. It relates to the mineral exploration question as distinct from the fisheries question. Has the government reconsidered its position on total economic control of our continental shelf beyond the 200 mile economic zone, and is the government now ready to offer revenue sharing from mineral exploration and exploitation, so that this acceptance of international authority can lead to a package agreement promoting the common heritage of the seas?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government has not given up in any way its assertion of control. The question of revenue sharing is one upon which we have some flexibility, but it would not in any way, in our opinion, impinge upon the question of control. We do assert that mineral exploration is an area over which we have control.

Mr. Roche: A supplementary question, Mr. Speaker. I should like to have a point clarified. May I ask the Acting Prime Minister whether it is the policy of the government that Canada, which already occupies 7.3 per cent of the land surface of the world, should have total economic control of our continental margin beyond the 200 mile economic zone, and how does this reflect the Prime Minister's recent speech in London to the effect that "we must aim for nothing less than an acceptable distribution of the world's wealth"?

Mr. Sharp: Mr. Speaker, I think the hon. gentleman is confusing two issues. We have had recognized our right to exploit the minerals out to the margin or the slope—I am not sure which is correct—beyond the 200 miles. The question that has arisen at the Law of the Sea Conference is quite a different one, and it is whether we would be prepared to share the revenues that might be derived from our exploitation. On that matter, we have some flexibility at the present time.

Oral Questions

IMMIGRATION

INQUIRY WHETHER VIETNAMESE GIVEN REFUGEE STATUS

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct my question to the Minister of Manpower and Immigration. Yesterday in the House I asked him a question specifically referring to Canada's role in the acceptance of South Vietnamese refugees. As reported at page 5108 the minister said:

—indeed one of my officials will be in New York tomorrow talking with him on that subject.

He was referring to the United Nations High Commissioner for Refugees. Has the minister anything further to report on those discussions, and has any decision been made by the department respecting Vietnamese refugees?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not know whether it was yesterday, but in any event my official is in New York today and he will be seeing the United Nations High Commissioner for Refugees either this afternoon or tomorrow, I am not sure which. Obviously, I do not have any further report flowing from that meeting. I can only confirm what I told the hon. member the other day as to the answers we have had from the UN high commissioner's office so far, which are to the effect that there has been no declaration of a mass refugee movement. We have indicated our willingness to assist in and support any such activity based on any international action that he might recommend.

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INDUSTRY

MICROSYSTEMS INTERNATIONAL—POSSIBILITY COMPANY PAID PENALTY FOR ILLEGALLY EXPORTING EQUIPMENT TO MALAYSIA

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Would the minister explain to the House whether or not Microsystems International paid a fine or penalty to the federal government for illegally or improperly transferring or exporting equipment to its subsidiary in Malaysia, the equipment at the time being the subject of security for a federal government loan authorized by the Department of Industry, Trade and Commerce?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of any illegal act on the part of Microsystems International or any kind of penalty, but I will be pleased to make inquiries.

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EXTERNAL AFFAIRS

VIET NAM—REASON FOR WITHDRAWING ALL REPRESENTATIVES FROM SAIGON

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I direct my question to the Acting Prime Minister. Why has the government of Canada closed down completely its operations and its representation in Saigon, knowing that there may well be Vietnamese who are not Canadians who may want to get out of the country and who may get permission to come out? Why has the government at this time closed down its whole operation there and not even left anybody on the ground at all who could provide quite possibly a humanitarian service, and who could be taken out in the future if need be by the Canadian Armed Forces?

[Mr. Sharp.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we hesitated for some time before taking this decision. We consulted with the governments of other countries that were in a similar position to ourselves, and our action was accompanied by similar action on the part of most of the friendly countries. It was not followed by the French who have taken quite a different attitude, but I do understand it was followed by the British, for example.

It is a common action that one takes in order to protect the lives of those whom we have asked to serve in Saigon. The point arrived when it was believed that they would soon come under fire, and we felt that in their interests—I am sure the Leader of the Opposition would agree—it was prudent that we should take this action.

* * *

ROYAL CANADIAN MOUNTED POLICE

RENTAL OF SPACE IN CHAMBLY BUILDING—PAYMENT OF RENT BEFORE OCCUPANCY

Mr. John Gilbert (Broadview): Mr. Speaker, my question is for the Solicitor General. Yesterday I asked the Solicitor General a question about the RCMP renting office space in Ottawa which will not be ready until November 1, yet they are paying rent in the amount of between $600,000 and $700,000 commencing February 1. In view of the fact that three months have elapsed and we have paid about $200,000 in rent, and in view of the fact that I inspected the premises today and every floor is empty, that there is not one partition on any of the floors, would the minister look into the matter and stop the wasteful spending of government moneys—

Some hon. Members: Hear, hear!

Mr. Gilbert: —and set an example of government restraint?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, after the hon. member asked his question yesterday I asked the RCMP for a full answer and they will have it for me tonight when I appear before the justice committee on my estimates. I would expect the hon. member to be there tonight to put his question to me and members of the force will be there to answer it.

UNEMPLOYMENT INSURANCE

REASON FOR NOT PROVIDING WITH AMENDMENTS TO ACT—GOVERNMENT POSITION ON NECESSITY FOR AMENDMENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration and it concerns his responsibility for unemployment insurance. Is the minister's decision not to proceed with amendments to the Unemployment Insurance Act before July, 1975 based partly on the fact that this country will experience no growth and resulting high unemployment?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker.

Mr. Alexander: A supplementary question, Mr. Speaker. In light of the fact that the government promised in its throne speech after the election of 1972, and made substantially the same promise after the election of 1974, that amendments to the Unemployment Insurance Act would be brought in, would the minister advise whether there is or is not any urgency with respect to the matter, or in other words that the minister finds that the Unemployment Insurance Act is now working as it should?

Mr. Andras: Amendments will be brought in, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL RESOURCES AND PUBLIC WORKS

Third report of Standing Committee on National Resources and Public Works, in both official languages—Mr. Ethier.

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

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, I should like to ask the government House leader about the business for the rest of this week and for the first two or three days of next week, so we can prepare for it.

Mr. Speaker: Order, please. With respect to the point of order that has been raised, I might indicate that in accordance with the direction I gave yesterday, the reprint of Bill C-44 ought to be available tomorrow. It has come to my hands within the last few moments, and if after inspection it is in accordance with the direction, it ought to be filed tomorrow. I say that in case it might be a consideration in calling the business for next week.

National Parks Act

Mr. Sharp: Mr. Speaker, it is our intention to proceed today with the committee of the whole stage of Bill C-32. I would hope that we could continue with it tomorrow: I have had some consultation, and if that does not prove convenient we will revert to discussion of the bill in respect of ocean dumping and perhaps one of the bills standing in the name of my colleague the Minister of Industry, Trade and Commerce. He has one bill in respect of the Statistics Act and one in respect of the Department of Industry, Trade and Commerce.

● (1500)

I am hopeful that Bill C-32 will be out of the committee by Monday. If it is not, we will certainly continue with it. If it is out of the committee by then, I would like to call the bill on citizenship: the minister is not well, and this depends partly on his health; but that would be my intention.

Mr. Baldwin: That is Bill C-20?

Mr. Sharp: That is Bill C-20. Then on Tuesday I hope we can go back to the report stage of Bill C-44.

Miss MacDonald (Kingston and the Islands): On the same point of order, Mr. Speaker, I wonder if I might ask the government House leader about the undertaking of the Minister of State for Urban Affairs on several recent occasions to refer the capital spending budget of the CMHC to the committee. Is the government House leader now prepared to proceed with the necessary referral motion in order to honour that minister's commitment?

Mr. Sharp: Mr. Speaker, I have been discussing the matter with my colleague. I am not sure how firm his commitment was, but I hope it was not too firm.

Miss MacDonald (Kingston and the Islands): It was very firm.

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NATIONAL PARKS ACT

AMENDMENT TO ENABLE PERSONS OVER AGE SIXTY-FIVE FREE ACCESS TO NATIONAL PARKS

Mr. G. H. Whittaker (Okanagan Boundary) moved for leave to introduce Bill C-388, to amend the National Parks Act (free access for senior citizens).

He said: Mr. Speaker, the purpose of this bill is to provide free access to the national parks for persons over 65 years of age, which is similar to the current policy in Ontario in respect of provincial parks.

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

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,748, 1,854, 1,869, 2,081, 2,115, 2,169 and 2,190.

Mr. Speaker, if question No. 1,846 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 1,792?

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

[*Text*]

CMHC—ASSISTANCE TO DAVENPORT HOMES FOR YOUTH INC.

Question No. 1,748—**Mr. Jelinek:**

1. What was the exact amount of the mortgage loan to Davenport Homes for Youth in Toronto?

2. On what date did Davenport Homes for Youth receive such monies?

3. What was the interest rate of the loan to Davenport Homes for Youth?

4. What portion of the mortgage is "forgiveable"?

5. Is it the policy of CMHC to advance monies without proof that the use of the property is not in violation of municipal ordinances?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. A loan in the amount of $92,505 was approved on July 31, 1974, under Section 15.1 of the National Housing Act, to Davenport Homes for Youth Inc., Toronto.

2. It is not the policy of CMHC to disclose details of transactions between borrower and lender.

3. The interest rate of this loans is 8 per cent.

4. The loan includes a contribution of $9,082.

5. No. Monies are advanced to CMHC's solicitor in trust, who ensures that the property is properly zoned before releasing the funds to the borrower.

*CBC—ALLOCATION OF TIME TO PARTY LEADERS IN GENERAL ELECTION CAMPAIGN, 1974

Question No. 1,792—**Mr. Coates:**

1. During the general election campaign of July 8, 1974, from the date the election was called to July 6, 1974, what was the breakdown of time allotted to each of the party leaders of the four national political parties on the National News programme of the CBC television in both English and French newscasts?

2. During the same period, what was the breakdown of news time allotted to the four political party leaders on the CBC English network news programme "The World at Six" and on the equivalent programme on the CBC French radio network?

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Mr. Speaker, in view of the lengthy answer to question No. 1,792 I wonder with your permission if it could be tabled and included in *Hansard*?

[Mr. Whittaker.]

Mr. Speaker: Is it agreed that the answer be tabled and taken as read?

Mr. Baldwin: Mr. Speaker, that is agreeable if there is a valid reason, for instance if it is quite lengthy and detailed. Now that the oral question period has been arranged so that written questions are dealt with each day we should consider each question individually.

There is a specific purpose, of course, for putting starred questions on the order paper. If the parliamentary secretary indicates that the length and the detail of the answer is such as to require the procedure he suggests we would agree, otherwise we would have to consider it further.

Mr. Blouin: There is no specific reason, Mr. Speaker, except it would save the time of the House if it was taken as read. It is only two pages in length and I could go ahead and read it.

Mr. Baldwin: If it is two pages, then as interesting as it is in respect of the CBC and time spent by political leaders, we would rather read about it than hear about it.

Mr. Speaker: Is it agreed that the answer be tabled and printed in *Hansard* as though it had been read?

Some hon. Members: Agreed.

[*Editor's Note: The answer referred to above is as follows:*]

I am informed by the Canadian Broadcasting Corporation as follows: 1. Figures for the time allotted to each of the party leaders of the four national political parties were kept by the CBC English television network for the period May 9 to July 7, 1974, inclusive. For the 11 p.m. television news program "The National", the breakdown was as follows: The Right Hon. Pierre Elliott Trudeau, 67 minutes; The Hon. Robert L. Stanfield, 51 minutes; Mr. David Lewis, 50 minutes; Mr. Réal Caouette, 11 minutes. The CBC French television network did not keep statistics on the time devoted to individual party leaders. Over the period May 9 to July 6, 1974, the overall time allotted to each of the national political parties (including declarations by party leaders and others) on the 10:30 p.m. television news program "Telejournal" was as follows: Liberal Party, 110 minutes; Progressive Conservative Party, 93 minutes; New Democratic Party, 64 minutes; Social Credit Party, 62 minutes.

2. For the period May 9 to July 6, 1974, the time devoted to each of the party leaders on the CBC English radio network news program "The World at Six" was as follows: The Right Hon. Pierre Elliott Trudeau, 38 minutes; The Hon. Robert L. Stanfield, 26 minutes; Mr. David Lewis, 33 minutes; Mr. Réal Caouette, 4 minutes. The CBC French radio network did not keep statistics on the time devoted to individual party leaders. Over the period May 9 to July 6, 1974, the overall time allotted to each of the national political parties (including declarations by party leaders and others) on the 6:00 p.m. radio news program "Le Monde Ce Soir" was as follows: Liberal Party, 63 minutes; Progressive Conservative Party, 62 minutes; New Democratic Party, 48 minutes; Social Credit Party, 38 minutes.

GIFTS RECEIVED BY PRIME MINISTER ON TRIP TO EUROPE

Question No. 1,854—**Mr. Cossitt:**

1. With reference to the statement made in the House of Commons by the Prime Minister before commencing his present trip to Europe to the effect that he would bring back to Canada any gifts received from heads of government or other persons without paying duty to Canada Customs (a) what is a complete list of any gifts received while on this trip along with the value and the name of the giver in each case (b) what is a complete list of all gifts given by the Prime Minister to any persons while outside the country along with the value and the name of the recipient in each case?

2. Will the Prime Minister personally keep any gifts received while on this trip or on any other occasion and (a) if so, will he reconsider his decision not to pay custom duties applicable to all other Canadians returning from abroad with purchases for personal use (b) if not, will such gifts become the property of the Government of Canada?

Right Hon. P. E. Trudeau (Prime Minister): 1. (a) Artifacts, objects d'art, books, etc, etc. International protocol and ordinary good manners dictate that it would be in bad taste to disclose value of gifts received, or to invite invidious comparisons by divulging donors' names and the nature of their gift to others than the Canada Customs authorities. The hon. member is no doubt aware that customs declarations once filled by visitors and returning Canadians are confidential. (b) Answer to (a) above applies *mutatis mutandis.*

2. (a) Yes. An Order in Council was passed on April 22 under S. 17 of the Financial Administration Act remitting the customs duty, sales tax and excise tax on the above mentioned gifts *inter alia.* It will be published as provided by law. (b) See answer to question no. 1,296.

CALGARY CONVENTION CENTRE

Question No. 1,869—**Mr. Mazankowski:**

1. When was application first made for funding of the Calgary Convention Centre under Urban Renewal?

2. (a) What was the amount originally requested for construction of the Centre (b) what were the terms of this funding?

3. What was the final amount expended on the Centre and on what date?

4. What funding is applicable to the adjacent hotel?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. In September 1970, the City of Calgary requested funding under Sections 24 and 26 of the National Housing Act, for the purpose of acquiring and clearing a one block area in Churchill Park. The Calgary Convention Centre has been built on this land.

2. (a) Financing under the NHA, through CMHC, was not requested, nor has it been used for the construction of the Centre; (b) not applicable.

3. NHA funds or loans were not provided.

4. NHA loans or funds were not applicable to the adjacent hotel.

CMHC—AGREEMENT WITH NEWFOUNDLAND UNDER SECTION 40 NATIONAL HOUSING ACT

Question No. 2,081—**Mr. Marshall:**

With respect to the agreement between CMHC and the Province of Newfoundland under Section 40 of the National Housing Act, which terminates March 31, 1975 (a) have any discussions taken place concerning the possibility of increasing the loan amount beyond $19,000 (b) does the provincial government intend to seek an extension of the agreement (c) how many of the projected 700 units were completed (d) how many applications were approved in each federal electoral district in Newfoundland?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: (a) Formal discussions with the Province of Newfoundland have not taken place, with respect to increasing the loan level for home ownership housing financed under Section 40 of the National Housing Act. Loan levels would be a matter of provincial policy, provided they do not exceed those premitted under the CMHC Assisted Home Ownership Program. (b) The Provincial government has sought an extension to the program, and a draft agreement is now with the province for execution. (c) Of the projected 700 units, 130 are completed and 425 are under construction. (d) Data on activities under the National Housing Act are not compiled on the basis of federal electoral districts. A total of 612 applications were approved.

QUARANTINE CASES

Question No. 2,115—**Mr. Lambert (Bellechasse):**

How many quarantine cases have been reported in Canada in the last decade?

Hon. Marc Lalonde (Minister of National Health and Welfare): One case of notifiable major quarantinable disease, subject to the provisions of the Quarantine Act, was reported.

RCMP—ATTENDANCE AT HUDSON INSTITUTE SEMINARS

Question No. 2,169—**Mr. Leggatt:**

Who were the eight members of the Royal Canadian Mounted Police who attended the Hudson Institute seminars in New York between 1970 and 1974 (a) what was the purpose of the seminars (b) for what reason did they attend (c) in what locations are the eight members presently stationed?

Hon. Warren Allmand (Solicitor General): The eight members of the Royal Canadian Mounted Police were: M. J. Spooner, D. K. Colwell, O. A. Davey, H. W. Brandes, G. H. Powell, J. G. Long, K. D. Green, V. E. Gooch. (a) To make the results of Hudson Institute studies and the points of view on policy issues developed by Hudson Institute staff available to business and professional leaders. (b) To broaden their horizons and gain insight into future trends. (c) Ottawa—Spooner, Colwell, Powell, Long, Green and Gooch. Washington, D.C.—Brandes. No longer in Force—Davey.

CBC—FILMS "TEN LOST YEARS" AND "HEAD GUTS AND SOUND BONE DANCE"

Question No. 2,190—**Mr. Neil:**

Did Canada Council make a grant to assist in the production of either of the films "Ten Lost Years" or "Head Guts and Sound Bone Dance" aired on CBC television and, if so (a) what was the amount of such grant in each case (b) to whom was the grant paid?

Oil and Petroleum

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: No.

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QUESTION PASSED AS ORDER FOR RETURN

AGRICULTURE—ISSUANCE OF PERMITS FOR IMPORT OF EXOTIC BREEDS OF CATTLE

Question No. 1,846—**Mr. Neil:**

1. With respect to permits issued by the Department of Agriculture in 1974 for import of exotic breeds of cattle, how many (a) individuals (b) partnerships (c) cooperatives or corporations received permits to import more than one animal?

2. What are (a) the names and addresses of the (i) individuals (ii) partnerships (iii) cooperatives or corporations who received permits (b) the number of permits in each instance?

3. With respect to Part 2, how many permits did each receive in the previous years 1970-73 inclusive?

Return tabled.

Mr. Paproski: Mr. Speaker, I rise on a point of order. On numerous occasions I have inquired about questions on the order paper in my name concerning CIDA. They have to do with the criteria used in awarding contracts. They are very simple questions, and there must be files in respect of each contract. There should not be any difficulty in producing those files and providing me with answers. Surely this government had nothing to hide.

Mr. Reid: Mr. Speaker, the minister has been out of the country for a week and until he is back we cannot produce the answers.

GOVERNMENT ORDERS

[*Translation*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Thursday, April 17, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mr. Laniel in the Chair.

[*English*]

The Chairman: When the committee rose on Thursday, April 17, clauses 5 and 12 had been allowed to stand and the committee had started its consideration of clause 16.

Mr. Baldwin: Mr. Chairman, the minister was going to give some thought to clause 12 in respect of a proposed amendment and the remarks of the hon. member for Nanaimo-Cowichan-The Islands. We may be standing additional clauses and I wonder if the minister is now prepared to deal with this amendment. If he is not, we could perhaps move ahead.

Mr. Macdonald (Rosedale): Mr. Chairman, as I recall it, the point was made by the hon. member for Peace River that the type of scrutiny involved in this situation is already covered by the statutory instruments legislation. From our standpoint there is no difficulty at all in making a reference to the public accounts. I indicated that I would propose an amendment to that effect, but I wonder if this is not already covered under the existing law and therefore it is not necessary to add anything at this point.

Mr. Baldwin: I am satisfied, Mr. Chairman, but I do not know about the hon. member for Nanaimo-Cowichan-The Islands. I put everything together and found there was a reasonable assumption that we had adequate protection.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I would suggest that we go ahead and deal with clause 12.

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder if we could put the amendment and then put clause 12 as amended, if the amendment carries.

Some hon. Members: Agreed.

● (1510)

The Deputy Chairman: Order, please. The Chair is in some difficulty. We cannot find a copy of the amendment which has been presented to the committee, and it would be difficult for the Chair to put it until we find it.

On clause 16—*Records and books.*

Mr. Baldwin: While we are waiting, Mr. Chairman, I have a question or two I should like to ask the minister in respect of clause 16. I do not know whether it has been carried; I hope not. This is the clause which provides for the keeping of records and books. I shall not read it. The Clause is far reaching and some of us on this side are concerned about its contents.

I should like to ask the minister if there will be a requirement that provincial governments, agencies of provincial governments or Crown corporations shall keep books and records and make them available from time to time, as this clause appears to call for in so far as individuals and corporations are concerned. The minister might have some ideas on that.

Mr. Macdonald (Rosedale): Mr. Chairman, it would be the intention, just as in other taxing statutes, to stipulate that this requirement would apply generally so that the taxing authority would be in possession of all this information.

The Deputy Chairman: Order, please. Is the committee ready to make a decision on clause 16 while we are still searching for the amendment? Shall clause 16 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 17—*Appeal.*

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I might say that this clause is adopted from the Excise Tax Act and the provision already in that act which gives authority to the Tariff Board in respect of questions of fact, or of law and fact. If, of course, as indicated in the statute, a question of law should be raised as a result of these inquiries, access would be available from there to the Federal Court.

Mr. Baldwin: While I do not have any great objection, it is a matter of curiosity to me why the Tariff Board, particularly, was designated. I understand the practice, but in the opinion of the minister does the Tariff Board have the necessary expertise and specialized knowledge, and does he think it would be the closest approach to the type of tribunal that would be adequately equipped to handle this particular issue?

Mr. Macdonald (Rosedale): It is certainly the feeling that the Tariff Board is the body which is best equipped in the economic area with developed procedures and expertise in dealing with this type of problem. It would appear to be the most suitable tribunal to carry out this particular function of appeal.

Clause agreed to.

On clause 18—*Regulations.*

Mr. Macdonald (Rosedale): Mr. Chairman, it would be desirable that I point out that there is a technical amendment to clause 18 to change the definition of "oil" so as to indicate that oil products which are normally derived from crude oil are also derived from natural gasoline and condensates which generally are produced in conjunction with natural gas and which are used in some Canadian refineries as feedstock. I seem momentarily to be without a colleague to move an amendment. Perhaps the Solicitor General would move into his place; he has a particular interest in this amendment to clause 18. The amendment is as follows:

That Bill C-32 be amended by striking out paragraph (a) of clause 18 on pages 8 and 9 thereof and by substituting therefor the following:

"(a) designate any hydrocarbon or mixture of hydrocarbons resulting from the processing or refining of hydrocarbons described in paragraph (a) or (b) of the definition 'oil' in section 2 as an oil products; and"

I see the Solicitor General rising to present this amendment to the House.

Mr. Baldwin: Would the minister say whether it applies to skating rinks?

Mr. Allmand: Mr. Chairman, I support everything the minister does, and I would move the amendment which he has read.

The Deputy Chairman: Shall the amendment carry?

Mr. Andre: Mr. Chairman, there are a couple of questions I should like to ask the minister in this regard. First, I wonder whether the minister could enlighten the committee concerning the substantive differences between clause 18(a) as originally written in the bill compared to the amendment proposed by the Solicitor General.

Mr. Macdonald (Rosedale): The substantial difference is that the amendment as originally proposed would include oil products derived from crude oil, which by narrow definition would not also mean derived from natural gasoline. This is a redrafting, shall we say, to make certain that it covers products derived from natural gas and condensates as well as from crude oil.

Mr. Andre: Is the minister, then, indicating that products such as ammonia, plastics, paints, food additives, protein products—if we should develop that process in Canada—and the whole range of products which start from hydrocarbons in one form or another, whether oil or gas, would in fact be subject to the control of the minister?

Mr. Macdonald (Rosedale): Mr. Chairman, the products are defined in clause 6(1) and 6(3).

● (1520)

Mr. Andre: In reading those clauses which define products, and the amendment to clause 18(a), I am left with the impression that the minister could exercise price controls on the full range of products starting from simple hydrocarbons. Certainly, with the exception of potash and natural fertilizer all our other fertilizer production in Canada starts from natural gas, all our plastics, paints and clothes; and I submit that you could extend that definition to nylon stockings.

Mr. Woolliams: Pantyhose.

Mr. Andre: I submit that if this bill does grant authority to the government to control the price of pantyhose, then it goes too far.

Mr. Macdonald (Rosedale): I would point out to the hon. member that clause 6(1) refers to "gasoline type fuels" and clause 6(3) refers to "middle distillate and heavy fuel oil." Trying to fit pantyhose under that would be difficult.

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Allmand) agreed to.

Mr. Baldwin: Before clause 18 as amended carries, may I point out that I do not think the minister's amendment deals with paragraph (b) as it was originally.

Mr. Macdonald (Rosedale): That is correct.

Mr. Baldwin: Clause 18(b) reads:

(b) provide for such other matters or things as may be necessary to carry out the provisions of this part.

I know that we have had these kinds of all-embracing regulatory sections which vest in the governor in council powers to do almost everything, and I must say, as a member of the statutory instruments committee, we have had occasion to examine some of them and have found that it is not a very desirable practice. I know there are certain circumstances when it might be necessary. However, perhaps the minister could give his attention to this subclause which seems to me to extend to the governor in council legislative powers which I believe go far beyond the powers which should be granted to the government.

We have had occasion in the House and in committees to study the impact of clauses of this kind and I feel, as a matter of practice and of caution, that this should not be done. This applies not only to members of the opposition but to private members on the government side. I spoke to some of my colleagues who sit with me on the joint statutory instruments committee who have seen at first-hand precisely what certain officials do. I am not referring to elected branches of government, although I will have something to say about them from time to time. I am referring here to members of the bureaucracy and the civil service who, probably with the best intentions in the world, twist, torture and pursue clauses such as this one to ends which were never designed by the legislation to be dealt with.

I believe that when we are giving to the government a great deal of power which it in turn will be delegating to a number of people and a number of boards, the minister should put on record the government's and his views. In this case he should state his views on what is contemplated under clause 18(b). It is simply one of these suspender-belt, safety-pin kind of clauses where the government says, "I may have missed something here and therefore I will put in a clause to cover it"? If that is the case, I do not like it and I am prepared to object to it. If the minister has a valid reason for putting it in, perhaps he would give it to us.

Mr. Macdonald (Rosedale): As is the case under our legislative practice, we do not attempt to set out in advance all the possible circumstances under which a modification might be necessary by the administration in the application of a particular statute. We recognize that it is difficult to predict all the circumstances which might arise, particularly in a commercial statute which is sought to apply to the infinitely various combinations of fact which arise in a particular community. Therefore, as much for the benefit of a particular taxpayer as for the benefit of the administration, it is wise to have residual power, which this one indeed is, so as to make certain that if a situation arises that is not covered by the exact terminology here, the governor in council may act by way of regulation for the purpose of setting that situation right.

I take it that that was inherent in the decision of the House in earlier years to set up the statutory instruments procedure. The basic assumption is made that in order to have flexibility in administration, powers of a more general kind will be required, but that the desirable arrangement we have made within the confines of the House is to have a statutory instruments committee which may study not only the formulation of these instruments from time to time but may go into some detail on the manner in which they are carried out. Recognizing that the administration will need this much flexibility from time to time, we also recognize that those using it should be under the potential scrutiny of the committee so that any excess of power or misapplication of this authority would then be subject to examination and possibly, in due course, criticism in the House.

To strike out this part of the clause may indeed make it difficult for the government to administer this part of the act. Also, it may be doing an injustice to an individual or a firm in the case of an export which will be impossible to correct, for legal reasons, without coming back here for legislation. It is desirable to have this kind of residual power if close scrutiny is applied to the manner in which it is exercised.

Mr. Baldwin: I am glad to say that the minister and I have progressed to the stage where I can say frankly that I do not doubt his bona fides in making that statement. In so far as he personally is concerned, he probably feels that; but he will not be in the same portfolio forever. In fact, I have a feeling that in a year or so he will not be there. Perhaps this is a pious hope, but the fact is that another person may be in his position. The minister's good intentions and his bona fides now will not necessarily be binding upon his successor.

I would like to give an illustration of the dangers of a clause of this kind, and when I have finished I will ask the minister to give us certain assurances in this regard. I am glad to see the Solicitor General here because this is something which he probably does not know and it affects his department. I am using this illustration as an analogy to show the dangers of this clause. There is regulatory power under the Penitentiary Act that under certain circumstances punitive action and sanctions may be taken against people who are serving sentences in penitentiaries, and by way of punishment the statutory right to limitation of the time they are serving can be denied them.

It happened, as a matter of fact, through something brought to our attention this morning, that despite the fact that the statute provides that this shall only be done by way of a trial in the penitentiary under the authority of the Penitentiary Service people, it has been done time and time again without the protection which the statute provides. In other words, there have been obvious abuses of the regulatory power which has been granted. That is one aspect of which many members of the House are well aware. Another aspect is that it is now possible, despite the Statutory Instruments Act, to so define the orders in council which may be passed that they need not be published. I notice that the words "governor in council may, by regulation" appear. If in fact the government takes that regulation under the Statutory Instruments Act, then as a regulation it must be published. But we have the same problem that I spoke of just a few minutes ago. We found there were a number of administrative directives issued which had all the effect and force of an order in council in many respects, as they affect the liberties of a great many people, but because they were called directives they were not published. They did not have to be published. No one knows what they contain. The committee cannot find out what they contain, and I think this is a danger we always face.

● (1530)

If the minister thinks, I have made an adequate case, and that when the word "regulation" is used here it is being used under the terms of the Statutory Instruments Act and regulations passed under this clause would be brought to the attention of the people involved, then I will be a great deal more relieved than I am now.

Mr. Macdonald (Rosedale): Mr. Chairman, the regulation as used here, I am advised—and it seems to be well

founded—is a regulation in the technical sense which will in due course appear in the Canada Gazette and will be made public by that means. A slightly more difficult question is bringing something to the attention of those who may be affected by it: the Canada Gazette purports to be this kind of legal notice.

Mr. Baldwin: Not the best reading in the country!

Mr. Macdonald (Rosedale): It is not the best reading in the world, I agree: even insomniacs would despair of the Canada Gazette. But in effect this is a regulation where the term is technically understood to be a minor law-making instrument and one which would be made public in accordance with what used to be known as the regulations act and which is now the Statutory Instruments Act.

Mr. Andre: Mr. Chairman, in my earlier question to the minister I asked just how far this clause could go in including other products which might be subject to control by regulation, and the minister accused me of extrapolating beyond what is stated in the legislation. That is simply not true and the committee should be made aware of it. Clause 18, as amended by the minister, reads:

> The governor in council may, be regulation,
>
> (a) designate any hydrocarbon or mixture of hydrocarbons resulting from the processing or refining of hydrocarbons described in paragraph (a) or (b) of the definition "oil" in section 2 as an oil product;

An oil product is defined in clause 2 as follows:

> —any product designated as an oil product by regulations under section 18.

In fact, the minister is free to designate any commodity or product which has as its root feedstock hydrocarbons. Planning is advanced to the stage of near construction of a substantial ethylene plant in the province of Alberta. A number of methanol plants have recently been built; others are planned for construction in the province of Alberta. There is the Petrosar plant in Sarnia, as well as several other types of closely related petrochemical plants in various stages of planning.

As I read the legislation, the minister through order in council can, unilaterally, control the price of the entire product line from any of these plants and any future plants coming on stream. Thus, if the output of the Petrosar plant is used for the manufacture of polystyrene for such things as coffee cups and insulation, the minister could conceivably control the price by regulation. As my erudite friend from Peace River has just indicated, we are not suggesting this will happen the day after this bill receives royal assent; indeed, we are not suggesting that anyone on the treasury benches or in the civil service has any such intention.

Mr. Bawden: There is no guarantee.

Mr. Andre: That is right; assumptions are always risky. Nonetheless, the possibility exists. It is simply bad legislation. We are abdicating our responsibilities as members of parliament by providing the civil service with authority to make such decisions. The minister has indicated that that is not quite true; that it has to come by regulation of the governor in council. But this in itself is not sufficient control.

It is wrong to extend the provisions of the bill far beyond the point which was intended in the former bill, Bill C-18, introduced in the last parliament. The intent was to give a legislative basis to substantiate an agreement reached by the first ministers at a luncheon held at 24 Sussex Drive. The government was interested in seeing the bill introduced as quickly as possible. We were prepared to co-operate to the fullest possible extent. The government threw in a twister in terms of the veto clauses of the bill which gave us some concern, and we had some discussion in committee.

Considering clause 18, there is the potential of going far beyond the agreement of March 27 or any agreement based on discussions held between the first ministers or anyone else. I reiterate that we are not suggesting this will happen immediately, but there exists the possibility of interprovincial tensions arising and a political situation in Canada developing where it may be opportune for some minister to use the authority granted under this legislation to put pressure on a certain province in order to force it to adhere to a policy decision he would like to see adopted. I therefore sincerely ask the minister to reconsider this question and to ask his officials to come up with alternative wording which will afford him the latitude he needs.

We recognize that the minister needs to provide for a uniform price across the country for crude oil and natural gas. We will discuss natural gas later, but in the meantime we recognize his need to implement the agreement of all the premiers and the agreement of the House of Commons that Canada should have one uniform price. But this does not mean that he should take unto himself, or a successor should take unto himself, authority to control virtually every product which has as its feedstock crude oil or natural gas. It is hard to imagine a consumer product on the market today that does not include, in one way or another, some element which is a byproduct of crude oil or natural gas.

Mr. Macdonald (Rosedale): Mr. Chairman, I am advised that the terminology used here is precisely the same as that used in the National Energy Board Act and has been in use for many years. It is desirable to have this taxing statute in exactly the same form as the existing statute under which the board now regulates exports from Canada. The board has not in fact extended its power to the commodities to which the hon. member has referred. It has, rather, confined itself to the addition of crude oil and natural gas, the specific products I referred to in my earlier answer.

It would be preferable to keep the flexibility of the governor in council, in this regard, to act by way of regulation. It clearly has not been necessary to extend it to manufactured products, as the hon. member suggested. The best legislative solution, in my opinion, is to leave the power here. Of course, it could be a matter of political debate subsequently if there is any attempt to extend it.

● (1540)

The Chairman: Shall clause 18 as amended carry?

An hon. Member: On division.

Clause as amended agreed to.

The Chairman: Does the committee wish to revert to clause 12?

Some hon. Members: Agreed.

On clause 12—*Exemption or reduction.*

The Chairman: Although the record indicates that the amendment was moved by the President of the Privy Council, *Hansard* does not indicate that is has been put to the committee. I will put the amendment so that it will be clear in the record.

It is moved by Mr. Sharp:

That Bill C-32 be amended by striking out line 7 on page 6 thereof and by substituting therefor the following:

"12(1) Where it is shown to the Governor";

and by adding immediately after line 22 on page 6 thereof the following:

"(2) A statement of each exemption or reduction of $1,000 or more ordered pursuant to this section shall be reported to the House of Commons in the public accounts.

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Sharp) agreed to.

The Chairman: Shall clause 12 as amended carry?

Clause as amended agreed to.

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member for Qu'Appelle-Moose Mountain raised some questions about the figures for taxes, and copies were circulated to the interested parties in the House. I wonder if it would be possible to go back and pass the earlier clause as well.

The Chairman: Is it agreed that we revert to clause 5 which has been stood?

Some hon. Members: Agreed.

On clause 5—*Charge in April and May.*

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, could I ask the minister what figures he is referring to?

Mr. Macdonald (Rosedale): It was my understanding that they had been handed to the messenger and distributed. They were the figures on returns from the various stages of export tax and then charged at the various stages set out under clause 5. The question was raised generally, rather than just with regard to clause 5.

Mr. Baldwin: Mr. Chairman, the hon. member for Qu'Appelle-Moose Mountain is in Quebec City in connection with the visit of the interparliamentary group from the United States. We would not want to hold up all other clauses of the bill. I believe the hon. member will be back before report stage is completed, and I wonder if the minister would object to continuing to stand this clause. I think I can give an undertaking that if by Friday we have completed committee of the whole study of all clauses but this one, we would not hold up the bill.

Mr. Macdonald (Rosedale): That is fine, Mr. Chairman.

[The Chairman.]

Clause stands.

On clause 20—*Application.*

The Chairman: Shall clause 20 carry?

Mr. Andre: Mr. Chairman I have some questions. The wording of this particular clause gives me some concern. It reads:

This part applies to crude oil that enters into international or interprovincial trade or that is mixed or blended with crude oil that has been acquired for movement out of its province of production.

It seems to me that clause could be interpreted to include considerable portions, if not all, of the crude oil which is designated for use within the producing province and supposedly, therefore, outside the authority of the federal government. Even the government appreciates that intraprovincial consumption cannot be controlled constitutionally. In a tank battery collection system among a number of producing wells it is often the situation that when oil flows from producing wells into a central collection point, some of the oil belongs to companies whose markets are totally outside the province. Therefore, the oil might be intended for shipment totally outside the province, and according to the government it would fall within the ambit of this bill. Other oil might be produced entirely for consumption within the producing province, so cannot be controlled by the federal government, according to the constitution. This clause provides that because they have been mixed or blended, the federal government would have the authority to control the price of any crude oil within the province; that is, any crude oil that was mixed or blended and was intended for extraprovincial consumption could come under their control, according to this clause.

If the legal experts can convince a chemical engineer that the clause does not imply that, I would abide by their judgment. To a layman, however, it implies that crude oil produced for consumption within a province, which at some time might have been mixed with crude oil produced for the purpose of extraprovincial consumption, could be subjected to control under the provisions of this bill. If that is the case, it is unconstitutional and we should look for better wording for this clause.

Mr. Macdonald (Rosedale): Mr. Chairman, we are dealing with the legal problem of fungible goods, that is to say, where goods not identifiable as those of a particular owner are mixed together. A similarity is the treatment of grains under the Canadian Wheat Board Act. From a practical standpoint, it is desirable to have these two separated and the effect of the clause would be that. I have asked for confirmation in this respect: my recollection is that this is parallel to the provisions of the Canadian Wheat Board Act, which establishes that where there are fungible goods of this kind mixed together in an elevator under a particular system, it has been held that those are indeed goods involved in this legal phrase. I think it is a marketing scheme for interprovincial and international trade and on that basis is within the jurisdiction of the Government of Canada.

Mr. Woolliams: Perhaps I can come to grips with this problem, Mr. Chairman. If this clause were worded to apply only to crude oil or blended crude oil that had

already left the producing province, I would be satisfied. It would seem to me, however, to apply to all crude oil the moment it is moved out of the well to a storage collection system or a storage tank. But how can we differentiate? Perhaps 90 per cent of that oil will be used in the producing province and 10 per cent outside.

I think what we are trying to do here is get a foot in the door to set the price of crude petroleum in the province where it is produced. I agree with the hon. member for Calgary Centre that such action would be unconstitutional, and I think hon. members from provinces producing other commodities would be concerned about this. Surely it should only apply to crude petroleum when it has left the producing province. Say it is produced in Alberta: when it reaches Saskatchewan or British Columbia, then it has gone to another province or the international market. But how are we going to differentiate? It does not apply to all crude oil, blended or not blended, the moment it is taken out of the ground.

● (1550)

Mr. Macdonald (Rosedale): At least the hon. member agrees on the nature of the problem, that it is difficult to separate crude oil of various kinds. The bill proposes to deal with crude oil which either moves in interprovincial trade or, by agreement of the parties, is produced and sold for movement outside the province. In these circumstances, it is clearly a transaction coming under interprovincial or international trade and in that sense falls within the jurisdiction of the Government of Canada.

Mr. Woolliams: Mr. Chairman, the fallacy of the minister's interpretation is to be found in clause 36. The federal government can set the price of this oil. I ask, who will determine whether a barrel of oil is to be sent to another province? Who knows what will happen to the oil once it is in the collection system? It may be used in the province or it may not; but the federal government is to set the price of the oil. Further, who will determine if this oil is to be traded interprovincially or internationally? If this were a matter for the producing province, there would be no difficulty. As it is, the bill is ambiguous.

Frankly, I think the government is trying to put its foot further in the door of provincial jurisdiction. In the absence of an agreement, the federal government can say that the oil in the collection system can be treated as oil being interprovincially or internationally traded and coming, therefore, under federal control. That is what is wrong with this clause. Surely it can be clarified. If the minister is sincere in what he says, he will clarify this provision. I know as well as the minister that the interpretation of a provision in parliament is not necessarily the interpretation of the courts. I remember Judy LaMarsh saying that the Canada Pension Plan would never apply to members of parliament. Yet once parliament passed the bill, the civil servants held that it applied to members of parliament as well. I am not necessarily satisfied when the minister tells me that A plus B equals C. I think this provision ought to be clarified further.

Mr. Macdonald (Rosedale): Mr. Chairman, judging from the hon. member's dogmatic attitude, I doubt if we shall ever satisfy him. I point out that the licensee will determine in a particular case how a shipment of oil is to be dealt with. The provision relates to contracts of sale for export either to the United States or for removal to other parts of Canada. This is a matter involving a contract between the parties themselves who must determine the manner of disposal of the oil. The whole scheme is not to be defeated by someone saying at any particular time, "This oil is to be used here, in the province, and that oil is to be used outside."

As I indicated when citing authorities the other day, it is entirely competent, in a national marketing scheme of the kind involved here, for the federal government to take this action and, for the purposes of an integral part of the national marketing system, in this way deal with a commodity which otherwise, I agree, would be under the jurisdiction of the province.

Mr. Baldwin: Mr. Chairman, I do not intend to labour the point, although we think it is germane to our basic objection to certain aspects of this legislation. We cannot evade our responsibilities. I know, judging from the minister's remarks, that the bill will pass in due course with this clause which we find repugnant still in it. In my argument, let me use the minister's analogy. He talked about the Wheat Board. But there is this to be said for the production of grain: a farmer of any province of western Canada or eastern Canada, but more particularly of western Canada as the Canadian Wheat Board Act applies particularly to that area, can produce feed grain and dispose of it to his neighbour. It can be determined that the grain has been disposed of to someone within the province; therefore, one can say that a clearly identifiable commodity has been produced, sold, dealt with and consumed in a province. The Canadian Wheat Board Act does not eliminate that prospect.

Let us examine the case of oil. I am not an expert on energy, petroleum and natural gas: I am learning as I go along, just as the minister is. Some of us learned the lesson some time ago. As I apprehend the picture, it is not possible for one to say, as oil flows up and is produced at the wellhead, that this particular barrel of oil, or that, is to be consumed within the province. Surely it is impossible to say that. One could only say it if certain conditions existed and I know of no case in which this holds true. For example, one could say it if, adjacent to one or two small wells, a small refinery, refining the oil coming from those wells and producing petroleum products, sold the products from those wells only within the province. In such a case one might be able to determine where the oil is to be consumed. However, those who are expert and knowledgeable in this field—the hon. member for Nanaimo-Cowichan-The Islands is knowledgeable—say that the situation does not apply anywhere. I know of no particular situation where this applies.

If this is so, what is to happen with regard to the process which the minister outlined? In theory his argument sounds good. He suggests that he is complying with the letter of the constitution by saying that any oil which flows up and is consumed and dealt with in a province is outside the ambit of this bill. But I say to the members of this committee that it is utterly impossible to find this out, to know how oil is to be dealt with. As my friend from Calgary Centre indicated, of the oil which leaves the

wellhead, 15 per cent is used within the province and probably 85 per cent outside. How can one identify which part of the barrel will stay in the province and which part will go out of the province?

If you consider clause 20 in conjunction with clause 36 and other pertinent clauses, it becomes abundantly plain that the effect of this bill is to attach the jurisdiction of the federal government to every barrel of oil produced in the province of Saskatchewan, the province of Alberta and the province of British Columbia as it leaves the wellhead unless the producer can discharge the onus or proof which this legislation will place on him and produce records to show that the oil will be consumed in the province. That, I suggest, cannot be done. Despite what may be the genuine good intentions of the government, and growing mellow with the years I am inclined to impute good intentions to them.

An hon. Member: Not me; I'm skeptical.

Mr. Baldwin: Despite the skepticism of some of my colleagues who have not yet attained my years, I suggest that once this bill is passed every barrel of oil produced will be oil in respect of which the Government of Canada can fix the price the moment it leaves the wellhead. As I read the bill, that will happen.

Where will this stop? We see year after year that government after government has, stage by stage, altered the basis of confederation. The rights of the provinces are being scuttled by the great monolith, the central government which is being pushed by the colossal civil service. The government is hungry for more power and introduces legislation of this kind. Perhaps it is what the people of Canada want; I don't know. Maybe they want it and perhaps they will say so. But I strongly object to this being done by the back door method as in the present case.

● (1600)

What about lumber in the province of Ontario or the province of Quebec? What is to prevent the federal government from doing precisely the same thing with regard to lumber—unless you have a small sawmill that will make the complete product which can be identified as being consumed entirely within the province? Practically all lumber produced in the three largest lumber producing provinces is used partly within the province and partly outside. As the lumber leaves the sawmill, in most cases it is not capable of being identified. Under the same type of legislation that we have here, there is nothing to stop the federal government moving into the province of Quebec and saying, after the trees have been felled and sawed, "The finished products or part of it will enter the channels of international or interprovincial trade and as such it is our responsibility, if we see fit to exercise it, to fix a price for it at the sawmill." That is an identical situation.

I do not think the people who drafted our constitution or those who now live under it want this to happen. If they do, there is a better way of finding out than through legislation of this kind. That is our objective and we intend to repeat it, not ad nauseam but to make our point. If in the final analysis we are defeated, we will at least have done our duty.

[Mr. Baldwin.]

Mr. Macdonald (Rosedale): Mr. Chairman, there is an argument often repeated by members of the official opposition, namely, that provisions like this will be applied to other commodities. They always choose either the province of Ontario or the province of Quebec for the purpose of this kind of control: in legal terms, there is no reason why this should not happen. The argument is put back to back with the question, why does it just apply to oil and natural gas? I could put the argument back to the right hon. member for Prince Albert when he returns. It was he who chose to segregate these two commodities from a great number of other commodities exchanged in Canada. He set up a special regime for oil and natural gas in Canada, for a very sound reason; they are of unique importance in the whole operation of the national economy.

For these commodities, national policies were adopted so as to exclude foreign imports, to the benefit of Canadian producers. National transportation systems were constructed to carry them. Since 1959 or 1960, and perhaps even before that, when oil and gas came under other provisions of the law they were treated as special commodities and dealt with in this way. It could indeed be conceivable at some future time that it would be equally advisable to apply the same regime to other commodities. However, the fact is it has not been applied. It has not been found necessary. They do not have the same dominant characteristics in our economy as energy commodities.

Dealing with the particular provisions of clause 20, I will restate the argument. We are dealing with a group of fungible goods. Oil may well be mixed for the purpose of ultimate use in the province or outside the province. Therefore, it is a fungible good to which the clause applies. The next step is, how does the part apply. At that point you go to clause 24. You have a specific dealing, a specific part of those fungible goods which the buyer and the seller have chosen to move outside the province. At that point the legal impositions of this part do apply. A buyer and seller, having chosen to deal by moving it within the province, are left free of the touch of this particular part. However, that which the buyer and the seller have chosen by contract to sell for the purpose of moving outside the province will be dealt with by the effective provisions of this part.

Clause 20 does not prevent in any sense a particular commodity being sold and delivered between a buyer and seller inside the province of Alberta, for example. Clauses 24 and 25 are the effective clauses for the purpose of controlling those parts of this total move of fungible goods described in clause 20. I would only say that the final judgment of the draftsman is that this is, from a standpoint of a national marketing scheme, an appropriate exercise of the authority and dealing with transactions to be effective outside the province, transactions of the kind of fungible goods declared under clause 20.

Mr. Baldwin: Mr. Chairman, I apprehend the minister's position. I think it is the only position he can take. However, the minister cannot neglect the provisions of clause 42 which has to be read in conjunction with clauses 20, 22, 36 and 51. Clause 42 reads:

No person other than a licensee shall sell any crude oil in an exporting province except when the crude oil is being sold within that province for consumption therein.

Anybody can say that when the producer acquires oil at the wellhead he knows that to some extent at least it will go out of the province. This question has to be considered in conjunction with the prohibition contained in a combination of clauses 20 and 36. I again read clause 42:

No person other than a licensee shall sell any crude oil in an exporting province except when the crude oil is being sold within that province for consumption therein.

How in the name of heaven can a producer say that the oil he is selling within the province to some person for storage, for ultimate refining or for other disposition, will be consumed in the province? He knows that part of it will go out of the province. When you put all these things together, the legislation is definitely repugnant to the constitution.

I go back to the point made by the minister. I did not intend to pick out Ontario and Quebec in particular; I included the province of British Columbia. In his response, however, the minister made it quite clear that our fears are not unfounded. He said that under certain circumstances which may arise, the same can be done with regard to other commodities. According to what the minister is saying, the federal government has the right to move into any province and fix a price for any natural product or natural resource unless it is possible to establish that the particular commodity will be consumed within the four corners of the province.

With regard to the minister's comments about the right hon. member for Prince Albert, it is true that he and his government did bring in the National Energy Board Act. However, when the right hon. member was in power, he and his ministers were most careful to keep the extent of their intrusion well within the federal responsibility. It is only since the minister started the series of legal steps of the various legislative processes that there has been this movement into a province for purposes which may well be valid. However, in our opinion, until there is a declaration of an emergency which entitles the federal government to exercise additional powers, what the government is doing is wrong. It is not only wrong in fact but it is wrong in law. I do not think the minister can escape by saying that the former Conservative government brought in the National Energy Board Act: it brought in a legal act.

Mr. Macdonald (Rosedale): I suppose hon. members have pretty firmly taken their position and will not depart from it, which is their prerogative. We are dealing with transactions involving fungible goods rather than specific quantities of oil. Transactions under clauses 41 and 42 are confined to oil bought and sold within the province. If a buyer and a seller get together and conclude a transaction within the province, the legislation does not attempt to restrict that. I can only repeat that individual quantities of oil are not indentifiable, but the transactions clearly are.

● (1610)

Mr. Woolliams: Then does the minister mean this, that there does not have to be a contract between a buyer and a seller? Take the case of a well that is producing 100,000 barrels of crude petroleum a day, and this amount of oil is stored in a collection system for three or four years and there is no contract or designation made as to whether it will be used in the province of Alberta or some other province of Canada: does the minister mean to say that the mechanism for setting the price does not apply for that length of time?

Mr. Macdonald (Rosedale): If the buyer and seller are not contracting to remove that particular commodity from the province, then obviously the statute does not apply.

Mr. Woolliams: One more thought. This is no longer the case, but at one time oil was sent from Alberta to be refined in Moose Jaw and it was then brought back again into Alberta as gasoline. What would happen in that situation?

Mr. Macdonald (Rosedale): Obviously, this is petroleum moving outside the province so there is a contract for removal outside the province and the statute would apply.

Mr. Woolliams: Then right there the minister is contradicting the very purpose of this bill. It is really a bill to set the price of oil that is used outside a producing province. If oil is sent to be processed and refined from Calgary, say, to Moose Jaw, and then it is brought back to Calgary to be used as gasoline, this provision should not apply because the crude petroleum was produced in Alberta and the gasoline is being burned in Alberta.

Mr. Macdonald (Rosedale): Mr. Chairman, the provision does not say "used"; it says "enters interprovincial or international trade".

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, my colleagues and I feel that it is economically desirable, and we think constitutionally permissible, to fix the price of petroleum products that move into interprovincial and international trade. However, we think it is desirable that we have clearly in our minds at what point the price becomes applicable.

I am not sure that the minister's analogy of the Canadian Wheat Board is on all fours with this situation. It is a long time since I looked at the Canadian Wheat Board Act, but my recollection is that it derives its authority from the fact that all grain elevators have been declared to be works for the general advantage of Canada. That applies even to wheat sold in the province when it goes into commercial channels. It is only exempt if it is sold by one farmer to another. So the two situations are not really analagous.

What I hope the minister can clear up for those of us in the committee who are novices, and I am certainly one, is this whole question of at what particular point the price becomes applicable. It has been said it becomes applicable at the wellhead. I cannot agree with that because the oil is not sold at the wellhead. In the province of Alberta, as I understand it—and members from Alberta know the situation much better than I do—the oil is sold to the Alberta marketing board.

Let us assume that producer A intends to sell 50 per cent of a given quantity of his oil to a local refinery and 50 per

cent to a refinery outside the province of Alberta. I assume he markets it through the Alberta marketing board; it is largely a paper transaction. Is it at the time that he designates through the Alberta marketing board where the oil is to go that the price we are now talking about becomes applicable? Is that the situation, or is the situation somewhat different? It would be useful if the minister would clarify that point for us.

Mr. Macdonald (Rosedale): Mr. Chairman, the events in regard to which the statute is intended to operate are set out in clauses 24 and 25. In other words, the provisions relate to oil sold for consumption outside the province of production; oil purchased for consumption outside the province of production, which is the reverse side of the same transaction; the acquisition of crude oil for consumption outside the province of production, really acquiring the title to the particular property that is not a purchase or sale transaction. Then clause 25 refers to acts of transporting, carrying, conveying or moving crude oil out of its province of production. In other words, it requires a conscious act as between buyer and seller for this part of the statute to become applicable; a conscious act to move a particular quantity of oil outside the province of production for consumption elsewhere.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In other words, destined for a place outside the province.

Mr. Macdonald (Rosedale): Outside the province of production. In this sense it is either the purchase or sale transaction, or the transaction of conveyance, or the transaction of transfer which identifies at that point the particular transaction as being one to which the statute applies, and at that point the statutory provisions with regard to price apply.

To deal again with the point made by the hon. member for Calgary North, a transaction between producer A and the Alberta marketing board at that point would be a sale within the province of Alberta between two entities within the particular province and it would not be identified in any sense as an export transaction. It is only when the particular quantity is put up by contract for sale outside the province that the provisions of this part of the statute would apply.

Mr. Andre: Mr. Chairman, I listened to the minister and I agree that that is the intent, or should be the intent, of those provisions. But that is not what the clause says; that is our whole point. Very simply, what happens in terms of crude oil production in Alberta, and I guess most other places, is this. Let me take as an example the Pembina field west of Edmonton, which is a major producer in the province. Oil is produced by a number of wells in this field; there are sub-collection stations among groups of wells, together with tank batteries. From there the oil moves into a bigger collection system owned, I think, by the Pembina Pipeline Company, and it is transported to Edmonton. At Edmonton a portion of the oil is diverted to, among others, the Imperial Oil refinery at Edmonton, I imagine to Gulf and also to McColl-Frontenac's refinery. Some of the oil would be diverted from this pipeline to the Interprovincial Pipe Line system east of Edmonton, and from there piped to markets outside the province. I think there are markets in every province east of Alberta as far as Sarnia.

The fact of the matter is that the oil that is consumed within the province of Alberta is refined at the Edmonton refinery and from there is transported by product pipeline to Calgary, Lethbridge, Peace River and other places in the province for consumption. This oil would have been mixed in the Pembina pipeline, mixed farther back in the collection system, mixed at the tank batteries, indeed mixed as it comes out of the wells, with crude oil intended for export. Clause 20 applies to crude oil that is mixed or blended with crude oil that has been acquired for movement out of the province of production, and therefore it applies to all of the oil from the Pembina field. Exactly the same story can be told in regard to Leduc, Redwater, Fox Creek, Swan Hills—you name it. So in fact clause 20 means that the statute applies to all of the production within the producing province that is intended for consumption within the producing province.

● (1620)

My colleague the hon. member for Peace River alluded to clauses 41 and 42 which state, in essence, that the Alberta marketing commission must be a licensee. I do not anticipate a problem there, but clause 43 provides:

> No licensee shall purchase any crude oil originating in an exporting province except at a price that does not exceed the prescribed price therefor at the time the purchase is made or the contract to purchase is entered into.

That means the Alberta government cannot, as an instrument of its policy under this act, indicate that in respect of oil consumed totally in Alberta it would like to pay $6.75 a barrel. In other words, it cannot pay a little more for the crude oil consumed totally within the province of Alberta, even though we recognize the importance of increasing the cash flow in order to help make this producing industry viable in Alberta, an industry which employs so many people. This might be very good policy and totally within the authority of the Alberta government according to the constitution, yet this clause says the provincial government cannot do that.

Mr. Macdonald (Rosedale): Which clause says that?

Mr. Andre: Clause 20, combined with clauses 41, 42 and 43. This is very clear to me in that clause 43 reads:

> No licensee shall purchase any crude oil originating in an exporting province except at a price that does not exceed the prescribed price therefor at the time the purchase is made—

The Alberta marketing commission will be a licensee. If the minister had said that this part applies only to oil entering the international or interprovincial trade, then he would be right. I really do not understand why there is such difficulty, but in clause 20 the minister has gone ahead and included not only the crude oil that enters international or interprovincial trade but also crude oil that is mixed or blended with crude oil that has been acquired for movement to another province.

I would be willing to bet that this means essentially all oil, because all the oil consumed within the province of Alberta is in fact mixed or blended at one time or another with the oil acquired for consumption primarily outside the province of Alberta. I suggest this is wrong and uncon-

stitutional. On that basis, I should like to move an amendment and I cannot see any reason why there should be any objection to it. I should like to move:

That lines 26, 27 and 28 of clause 20 be deleted and replaced with the word "trade".

I do not think that violates in any way, shape or form the intention of the minister as he has indicated it this afternoon, yet it would prevent governments, this one or any future one, from unfairly interfering with the legislative prerogatives of the province of Alberta.

The Chairman: The committee has heard the proposed amendment. Shall the amendment carry?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Andre: Mr. Chairman, I am trying not to be obstinate about this, but why, for goodness sake, will the minister not accept this? Does this involve just a matter of obstinacy? Is what is involved a matter of the government saying that this is the way it is, and it is going to be this way or no way at all? The scenario I have portrayed is realistic; it is a possibility. For goodness sake, the minister should at least have the decency to explain. I find it incredible that the minister would sit there saying the government has a majority and it will force this bill through whether we like it or not.

It is incredible that the minister would indicate he does not care about the logic or the facts, this is the way things are going to be. If that is the situation, it is a deplorable attitude. If that is the situation, perhaps we are all wasting our time here and maybe we should just be around every four years for an election and skip the rest. Some very logical arguments have been raised and I think the minister responsible has a duty to explain or least to attempt to refute the logic we have advanced before forcing a vote.

Mr. Woolliams: Mr. Chairman, before the minister answers, I wonder if I could pour a little oil on troubled waters. Would the minister agree to an amendment which would clarify this, putting it in the terms he says he intends by the clause? Would he agree to an amendment which would make sure that this only applies to crude oil which moves out of the province to another province or to international trade, or crude oil blended or mixed with another commodity? Surely that would be very easy to spell out and there would be no problem. I am only attempting to pour a little oil on troubled waters.

Mr. Macdonald (Rosedale): I do not see the difficulty at all. The legislative scheme is as I have set it out. The fungible goods to which this applies are covered by a clause with no legal consequence: it is the other clauses which are involved in that way. I have given an explanation to the hon. member for Calgary Centre. I do not really expect him to accept it, but I do not think he can fairly say I have not explained this to the committee.

Mr. Baldwin: Mr. Chairman, the minister said in response to a question by the hon. member for Nanaimo-Cowichan-The Islands that this measure does not apply to crude oil at the wellhead. Would he give an earnest indication of his good intentions by including a proviso to that effect at the appropriate place?

Mr. Macdonald (Rosedale): I do not have to do that, because it is provided by the other clauses.

Mr. Baldwin: How does the minister get around clauses 41 and 43 which make it quite plain that a sale at the wellhead is covered within the purview of these clauses? The minister may not intend this, but certainly within the four corners of clauses 40, 41 and 42 there is a definite implication that the price at the wellhead is fixed and prescribed. Perhaps the minister does not intend it, but if that is the case it is possible to use this measure in that way. It may well be that he says this does not apply, but it is applicable or can be made applicable by a combination of clause 20 and the other three clauses.

Mr. Macdonald (Rosedale): No, Mr. Chairman, and I repeat again what I said several minutes ago, that clauses 24 and 25 deal with the prescribed price and create the circumstances in which the prescription applies; otherwise it does not.

Mr. Andre: Mr. Chairman, the minister has not explained this adequately, because the Alberta marketing commission would be a licensee and under clause 43(1), in conjunction with clause 20, would not be permitted to pay the producer more than the prescribed price even in respect of oil that would be used totally within the province of Alberta, and the commission should have that authority.

● (1630)

Mr. Macdonald (Rosedale): I would point out to the hon. gentleman, for the fifth time, that this prescription applies to clause 24 and not clause 41.

Mr. Andre: Perhaps the minister would like to take me through this slowly. Does clause 43 not say that no licensee shall purchase any crude oil originating in an exporting province except at a price that does not exceed the prescribed price therefor at the time the purchase is made?

Mr. Macdonald (Rosedale): The over-all pattern is really a general licensing one. Under clause 39 one can be a licensee for one transaction and not for another. We could come back to the matter of licences as set out in clauses 24 and 25.

Mr. Baldwin: Mr. Chairman, the minister referred to clause 39 which says that where an order has been made under section 38 in respect of an exporting province, the board may, in accordance with any regulations under this division, and subject to such terms and conditions as are prescribed by the board, issue a licence to any person engaged in selling any crude oil for consumption outside the exporting province.

As has been pointed out by the hon. member for Calgary Centre and myself, the Alberta energy board, as licensee purchasing at the wellhead, purchases crude oil which in part will be consumed in the province and in part will be exported from the province. At the particular moment when that transaction is made, clause 43 combined with clause 20 applies and the Alberta energy board is obliged,

if the government prescribes the price at that time, to pay that price.

Mr. Macdonald (Rosedale): No; the Alberta Petroleum Marketing Commission indeed will have to be licensed as a seller for extraprovincial sale, not provincial sale. The clause does not attempt to deal with intraprovincial sale.

Mr. Andre: For goodness sake, that is not what it says. It says that a licence must be obtained by any person engaged in selling any crude oil for consumption outside the exporting province. The Alberta marketing commission will be doing that; therefore, it is a licensee and according to clause 43 it cannot pay more than the prescribed price for crude oil that is to be consumed within the producing province. This legislation could be made to apply to oil totally produced and consumed within the province of Alberta, and that is unconstitutional. What violation in respect of the bill, other than the pride of the draftsmen, would there be by the acceptance of the proposed amendment.

Mr. Macdonald (Rosedale): I do not know how many times I must repeat this, but this does not apply to oil consumed in the province.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Amendment (Mr. Andre) negatived on division: Yeas, 5; nays, 29.

Shall clause 20 carry?

Mr. Baldwin: On division.

Clause agreed to.

On clause 21—*Purpose.*

Mr. Andre: Mr. Chairman, this clause is important not so much for what it contains but for what it omits. It states that the purpose is—

(a) to achieve a uniform price, exclusive of transportation costs, for crude oil used in Canada outside its province of production—

Of course, the previous clause already violates that particular purpose. The next purpose is—

(b) to achieve a balance in Canada between the interests of consumers and producers in Canada; and

(c) to protect consumers in Canada from instability of prices for petroleum in the international markets.

Again, we in this party certainly do not quarrel with the intent of those purposes. Indeed, that has been a feature of our energy policy since November, 1973. However, there is one more important feature of our energy policy which I believe should be the energy policy of a responsible government concerned about Canada's economic welfare, and it should be included as a purpose of this legislation. In a moment I shall move an amendment to clause 21 to cover this matter. The amendment primarily deals with the question of Canada's self-sufficiency or long-term security of supply. If we do not have that as a fundamental purpose of the government's administering this legislation and setting prices for crude oil and natural gas in Canada, then not only future generations but we who are alive and well now could in a few years face a precarious situation.

Unless there is some improvement in the matter of self-sufficiency, it will be impossible to protect consumers in Canada from instability of prices for petroleum in international markets in a very few years. At the present time we in Canada are net importers of crude oil, although not to a very great degree at the moment because the difference between our exports and imports is relatively small. However, our exports are dropping dramatically. Our ability to produce from proved fields is dropping dramatically and our demands are increasing substantially. A consequence in the not too distant future is that we will become, more and more, net importers or we will rely more and more on imported crude oil from other areas in the world. This has been shown in the past to bring instability in political and economic terms.

● (1640)

Unless we attempt to achieve self-sufficiency and security of supply through government fiscal and tax policies, and otherwise do what we can to encourage exploration and development, the purposes of this bill will be meaningless. A year from now people will be wondering why it was necessary to raise the price of crude oil at this time and why the Prime Minister indicated at the first ministers' conference that the price of oil would have to go up. Was it because he was responsive to the desires of the western provinces? Hardly, Madam Chairman.

The reason is very simple. We cannot afford subsidy programs unless we have exports to balance imports. Those exports raise cash with which to pay subsidies. If we were to attempt to maintain a price regime closely approximating what we have now, the drain on the treasury would be horrendous. The Minister of Finance should ask himself whether we should subsidize the gasoline used by big V-8 motors or whether we should use taxpayers' money for a more socially viable project such as pensions and assistance to those in our society who are in desperate need of it.

I think that a rational government has made a rational decision that they cannot go on subsidizing gasoline for V-8 engines out of taxpayers' money. They do not have sufficient funds from the export tax with which to subsidize crude oil. The only alternative is to raise the price.

There is another alternative over the longer run which would make sense in terms of national policy; that is, proper administration of the responsibilities of this government in terms of land use regulations in the far north. Income taxes, as they apply not only to corporations but to individuals, would include incentives to invest in oil and gas exploration in this country. If these things were to pass, our declining recoverable reserves would stop declining and start increasing. We could then consider a larger pipeline to Montreal than the 2,000 barrel a day pipeline which is planned. In fact, we could consider the possibility of supplying the whole Montreal market with Canadian produced crude oil, possibly extending it out to the farthest reaches of the eastern parts of this country.

Perhaps it would make more economic sense to make exports to the United States so that we would have the export tax with which to subsidize oil which would be

imported into the maritime provinces for their use and which would be at the same price as that paid by other Canadians. It would not put them at the competitive disadvantage of having higher priced energy sources. All those things are possible with a sound and rational energy policy. We in this party feel that the matter of security of supply, of Canada's long-term self-sufficiency, is fundamental.

How will we benefit from a situation that might develop where as a result of political decision taken now we will not be able to obtain oil at any price because of some political development in the Middle East? Although one is always optimistic that the situation in the Middle East will resolve itself without a holocaust, without a renewed war which could interrupt supplies to the west, we are also hopeful that the OPEC nations will in fact be a little more reasonable in terms of their future imposition of higher prices for crude oil. We hope there will be tremendous discoveries in other parts of the world which will help to improve the supply situation. Although we hope for all those things, it is neither prudent nor sound for us to plan for them. It is reasonable for us to plan to be self-sufficient. For that reason, I would like to move an amendment to clause 21 of the bill on page 10. My motion reads:

That clause 21 of the bill on page 10 be amended by deleting line 39 and substituting therefor the following:

"producers in Canada;

(c) to protect consumers in Canada from instability of prices for petroleum in the international markets; and

(d) to ensure the discovery, development and production of a supply of crude oil adequate to the self-sufficiency of Canada.

I think the future objective of trying to ensure Canada's self-sufficiency—and we have the geological potential for that—should be part of the purposes of this legislation, part of the decision-making as to what is an appropriate price for Canadians to pay for crude oil and natural gas. It should not be made on the sole basis of the interests of governments or short-term interests of consumers or producers, but in fact on the basis of the interests of Canadians. As can be seen, this amendment simply adds a section to ensure Canada's self-sufficiency. If it is appropriate, I move the amendment.

Mr. Macdonald (Rosedale): Madam Chairman, I have no objection to the purpose of the amendment. Of course, one of the factors to be taken into account in price determination from time to time is the very relevant question of setting the price at such a level that it will bring additional supplies to the country. I wonder, however, if because of the uncertainty that is always involved in exploring for hydrocarbons, the word "ensure" is the most felicitous word in the circumstances. It seems to indicate that by the mere setting of price you would not have dry holes. I have sometimes been accused of being a Pollyanna in these things, but this word perhaps implies more hope than circumstances permit.

Mr. Baldwin: What about the word "encourage"?

Mr. Macdonald (Rosedale): "Encourage" would be a much better word, and we would be glad to accept the amendment with that amendment.

Mr. Andre: I do not know what the appropriate procedure is, but it would be satisfactory to me to move that subamendment.

● (1650)

The Assistant Deputy Chairman: Order, please, The subamendment is moved with the unanimous consent of the committee; is that agreed?

Some hon. Members: Agreed.

Mr. Baldwin: In the amendment the word "encourage" will replace the word "ensure". We "encourage" you, Madam Chairman, to make that change.

The Assistant Deputy Chairman: Is it agreed to amend the amendment in paragraph (d) to replace the words "to ensure" with the words "to encourage"?

Amendment to the amendment (Mr. Andre) agreed to.

The Assistant Deputy Chairman: Shall the amendment as amended carry?

Amendment (Mr. Andre) agreed to.

Mr. Gillies: Madam Chairman, we would like to propose a further amendment to clause 21 as follows:

That clause 21 on page 10 be amended by deleting line 42 and substituting therefor the following:

"international markets, in co-operation at all times with the provinces of production which, in the interests and for the protection of consumers in other provinces, have forgone to the degree necessary to this purpose their constitutional autonomy over crude oil as a natural resource and are therefore entitled, so far as compensation may answer, to be restored to a position of equality with other provinces with respect to the administration and control of one of their natural resources."

The purpose of this amendment should be quite clear. We in this party have argued very strongly that the pricing of an important natural resource such as petroleum should certainly be done in co-operation with the provinces. We have at all times argued that control over this resource lies in the hands of the provinces and that any action on the part of the federal government with respect to the pricing of resources, the ownership of which constitutionally lies in the hands of the provinces, should be a matter for provincial concern alone.

We have taken the position that in order to achieve some of the things we think are important with respect to energy policy, namely, one price across the country, it is appropriate that the federal government should engage in discussion with the provinces with respect to the achievement of this objective. We have never agreed, and do not believe the federal government has or should have the single authority to establish prices of these products.

An hon. Member: Why?

Mr. Gillies: Because we believe that constitutionally the resources belong to the provinces. The constitution makes this very clear. We do not believe that special consideration or dispensation should be given in respect of petroleum products. We do not believe the federal government has the right or the propriety, except under conditions of extreme emergency or declared national emergency, unilaterally to establish the price for any resource,

whether it be nickel from Ontario, pulp from British Columbia or oil and gas from any of the producing provinces. We have argued that in the past, and we will argue it again.

We believe the amendment I have put forward is appropriate. Since the federal government has moved in on the unilateral pricing approach, great consternation in the nation has been created. It has caused confrontation between provinces, and between provinces and the federal government. A situation has developed in which good federal-provincial relations are being eroded to a greater degree than ever before in our history. Surely it should be possible to work out a method, through consultation, by which this operation can be handled in an effective and appropriate fashion.

If the federal government believes that it alone should have the power to set prices, then it should approach the matter in a totally different way. It should be approached through an amendment to the constitution, constitutional reform or constitutional adjustment. This whole question arises primarily from a series of events taking place outside Canada and over which Canada has no control. We in this party believe that the federal government through this legislation has not found the appropriate way to proceed.

This amendment is based on the proposition that under our constitution resources and their control belong to the provinces, and that the federal government has absolutely no constitutional right to move unilaterally into the pricing and sale of these resources. As we argued at the second reading stage, we hope the government will be willing to accept the amendment. There is nothing to be gained, in terms of the development and unity of this nation, by the federal government attempting to move unilaterally in the pricing of resources in this way.

I speak as a member of parliament from the non-producing province of Ontario, but I speak fervently for the country as a whole. I would not like to see the federal government move in on the pricing of resources in the province of Ontario or in other provinces. These things can be done on the basis of consultation and co-operation. There are many arguments which could be made to the effect that if we can obtain the necessary supply, pricing is not the problem at all. Most of the problems created in this country have been created by our tax regime rather than by our pricing policies.

May I call it five o'clock, Madam Chairman?

Mr. Baldwin: Before we call it five o'clock, because of the fact that the amendment of the hon. member for Calgary Centre was accepted there may be some need to adjust the precise wording on a number of lines because there has now been some change. We are not used to the minister accepting amendments. Occasionally he is very yielding. We did not expect this and we were not prepared for it. We should make the amendment conform to the change.

Progress reported.

[Mr. Gillies.]

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mrs. Morin): I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate have passed without amendment Bill C-59, an act to provide for the resumption and continuation of longshoring, checking, cargo repairing and related operations at certain ports in the Province of Quebec.

THE ROYAL ASSENT

[*Translation*]

The Acting Speaker (Mrs. Morin): I have the honour to inform the House that a communication has been received, which is as follows:

Ottawa, April 24, 1975

Sir,

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to-day, the 24th day of April, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant.
André Garneau
Brigadier General
Administrative Secretary
to the Governor General.

● (1700)

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—National Defence—Proposal for escalation of pensions of retired personnel before age sixty—Request for report; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—External Affairs—Alleged difference between statements by ministers on interest rate on loan to Cuba; the hon. member for Vaudreuil (Mr. Herbert)—for Canadian Pacific Railway—Increases in commuter fares—Request for government action to prevent.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on

today's order paper, namely, public bills, private bills and notices of motions (papers).

[*Translation*]

Mr. T. Lefebvre (Pontiac): Madam Speaker, I believe the parties have agreed to discuss Motion No. 28, under the name of the hon. member for Brandon-Souris (Mr. Dinsdale).

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

CORRESPONDENCE WITH CBC PERTAINING TO PROGRAM "BAPTIZING"

Hon. W. G. Dinsdale (Brandon-Souris) moved:

That an order of the House do issue for a copy of all correspondence with CBC pertaining to the program "Baptizing", presented on the CBC national TV network on Sunday evening, January 19, 1975.

He said: Madam Speaker, I am pleased to have an opportunity to discuss the refusal of CBC officials to respond to motion No. 28 that I placed on the order paper for the tabling of letters arising from the program "Baptizing". This is the first time in the years I have been in parliament that a refusal of this kind has come out of an agency such as the CBC. I know from time to time the explanation given for refusal to table documents requested by members of parliament is to the effect that the tabling of such documents would not be in the public interest. By no manner of means could the refusal to table letters pro and con some of the recent programming of the CBC be denied on the basis of the explanation that it would not be in the public interest.

I firmly believe that some of the matters I am going to refer to this afternoon have to be dealt with in the public domain, and the wide exposure that can be given to the subject, both positive and negative, is in the greatest interest of the Canadian public. As I begin my remarks this afternoon, I hope there will be a vote on this matter and that many members from both sides of the House who have indicated their concern will vote in a positive way on the subject of the motion so that members can have an opportunity to view the dialogue and debate on this important subject through the channels of communication and correspondence.

I have had to do some research on my own, not having access to the letters. I have had to dig up some of these documents myself. I think it is a sad commentary on the CBC, which is the organ of public broadcasting funded by the taxpayers of Canada, that the elected representatives of the people of Canada are denied access to information of this kind. It goes back to other periods when the CBC has tended to be secretive to the extent that parliamentary committees have had to delve deeply into the subject. If this is the current trend of the CBC, we might have to resort to that sort of procedure if hon. members are to have an opportunity to hold the public broadcasting organ, the CBC, to public accountability.

CBC Programming

I have raised the issue because I wrote to the president of the CBC immediately the program was aired. I am going to restrict my remarks pretty well to the program "Baptizing" so that we may keep the subject in focus. I wrote in the following terms and had the letters made public. I am sure this information would have come up in the public domain.

Dear Mr. Picard:

Re: The Program "Baptizing"

I had the occasion to view the above program which appeared on the CBC affiliate CKX, Brandon. It was such a distortion of real life that I feel that I must launch a formal protest. My mail has indicated a similar response from many of my concerned constituents.

The program was based on the primitive Freudian psychology interpretation of life that the ID—the raw sexual urge is the sole motivating force in human behaviour.

I may interpolate here that I am an old sociologist and psychologist. Freud went out the window years ago but still comes in the back door in a lot of the stuff we find in the news media at the present time. The letter continues:

While this is a premise that saturates much of our interpretation of human nature and destiny today, it is hardly appropriate that the CBC should be using the powerful public media of TV to communicate this distortion of the essential nature of human behaviour.

A little further on, the other major point I made on page 2 of the letter was as follows:

Not only was it a subtle sell of the Freudian psychology, but the program also included a monstrous caricature of evangelical Christianity.

I received a reply from the president of the CBC, Mr. Picard—and it is too bad we have to go at it in this piecemeal way—in which he said in part:

I'm sorry you were so offended by the play, but I find it difficult to accept the suggestion that CBC should not have carried it. "Baptizing" was a dramatization of a chapter in a book by Alice Munro, a respected Canadian author and the winner of the Governor General's award for her first book. This, I feel, is an important responsibility for the CBC—to reflect contemporary Canadian writing in all its forms, even though some of our viewers may disagree with the ideas expressed.

We've had a number of letters from viewers who agreed with your comments, but we've also had some from people who liked the play. Newspaper columnists were almost unanimous in their praise, calling it "sensitive and sympathetic", gentle, poignant and sometimes funny", "beautifully done", and "deeply warming".

That is as far as I shall quote from that letter. That response and the letters which flowed in persuaded me to go the only road which members can tread in dealing with an impersonal, faceless corporation of this kind: I asked for the documents to be tabled and, inexplicably and unwisely, this request was refused by officials of the CBC, as was explained by the Parliamentary Secretary to the Secretary of State (Mr. Blouin), on page 4506 of *Hansard*. He said:

● (1710)

—I am advised by the CBC as follows: The correspondence in question is confidential as between the correspondents and the CBC. The CBC welcomes reactions to programs and the effect of publication of the correspondence would be to create a reluctance on the part of interested parties to comment in writing to the CBC about its programs.

The next entry in *Hansard* reads, "An hon. Member: Nonsense." I am sure most hon. members support the interjection by that anonymous member as recorded in *Hansard*.

It had occurred to me that the Baptist Church might be disturbed by the caricature of one of its religious services. True enough, I was able to discover that there was a spontaneous response from the general secretary of the Baptist Federation of Canada, Fred Bullen. His letter to the president of the CBC reads:

—As general secretary of the Baptist Federation of Canada, I wish to express the deep concern which many of our members across Canada have regarding many of the programs shown on CBC television. On Sunday evening, January 19, over channel 5, Toronto, a program entitled "Baptizing" was a caricature of the Baptist churches and was extremely offensive. We are aware that literary and visual art often depict some of the less desirable characteristics which are common to mankind, but we do not believe that it is a function of the Canadian Broadcasting Corporation to deliberately choose material that is offensive.

The letter continues in that vein. It is a good letter. I think it should be available to all members who are concerned about this matter, because it also makes positive observations about the work of the CBC. The letter-writing activities increased. Obviously, the CBC was disturbed, because the head of TV drama, Mr. John Hirsch, entered the letter-writing business. He wrote to the major newspapers in Canada, which shows the heat must have been on in the offices of the CBC bureaucracy. His letter, as it appears in the *Globe and Mail* of Thursday, March 13, under the heading "CBC Holds Mirror up to the Viewer", reads in part:

As reported in the *Globe*, an intensive survey of viewer reaction was commissioned by CBC about "Baptizing," the show that drew the greatest number of protests, a drama concerning the sexual awakening of an adolescent girl.

Over two and a half million people watched "Baptizing"—

I interpolate: the influence is more insidious than I thought.

—one of the largest audiences for a drama to date, and about 300,000 over average. Of these more than 84 per cent watched the show through to the end. The enjoyment index for the program was 70 per cent.

The survey also indicated that about 50 per cent of the public found the play particularly enjoyable, while about 20 per cent was very much against it. The polarization of the audience was clear and extreme. Thus public opinion actually forces decision-making back on the corporation.

The CBC has had to decide whether to go with the minority that objects or with the majority which seems ready to accept a greater latitude of subject matter and language, given, of course, that both subject and language are artistically justified and thoroughly motivated.

The letter continues, but the sentence I want particularly to pick out from the letter is the following:

Obviously programming must not go more than a few steps beyond what viewers are accustomed to.

I, too, started writing letters. I released a letter to the press which, unfortunately, was not given the exposure that Mr. Hirsch's letter was given. In my letter I referred to the interesting and important speech the Prime Minister of Canada (Mr. Trudeau) had made when he received the freedom of the city of London. My letter was entitled "A sick society." I am sure all of us were able to read the text of the Prime Minister's letter in which he talked about changing values in society. In that speech the Prime Minister said, when dealing with the issues of a sick society, that we require institutions and régimes of immense dimensions and novel attributes. Our basic institutions are breaking down and new ones are required. That was the essential message. I said in my letter:

[Mr. Dinsdale.]

This disintegration of basic institutions such as the family, the church, the school, and politics is readily discernible today. It is ironical that the mass media is reinforcing this disintegration. The CBC, for example, has been experimenting recently with programs that depict the sick side of Canadian life. In defending the CBC against public criticism and the growing criticism from members of parliament, John Hirsch, head of CBC TV drama released a letter to the editor which included the following phrase:

I then quoted in my letter part of the letter sent by Mr. Hirsch to Canadian newspapers as follows:

The CBC has had to decide whether to go with the minority that objects or with the majority which seems ready to accept a greater latitude of subject matter and language, given, of course, that both subject and language are artistically justified and thoroughly motivated . . . Obviously it is not up to CBC to go wildly off into avant garde styles and far-out situations and language, but rather to remain just a few steps ahead of the whole viewing public in such matters.

My letter then went on to say:

These excerpts from Mr. Hirsch's letter contain many ambiguities, and even contradictions. He is saying that the majority of Canadians like the way-out dramas such as "Baptizing", "Ten Lost Years", "You're Going to be All Right", "Jamie Boy"—

Incidentally, the family name in the last named production was Dinsdale. I do not know whether malice aforethought was involved, but let me say that any resemblance to any Dinsdale family I know was purely coincidental. I continue quoting from my letter:

Therefore, CBC is only catering to prevailing tastes. He goes one step further, however, when he says that CBC has to remain a few steps ahead of the whole viewing public in such matters. In other words, CBC is not only catering to public demand but is also stimulating public demand for programs that include blasphemy, obscenities, violence and situations that are at odds with the traditional values of Canadian society.

At a fund-raising dinner held recently in Toronto, the Prime Minister made some interesting observations about what is happening. According to a news report in the Ottawa *Citizen* of Saturday, April 19, 1975, the Prime Minister said:

We are no longer convinced that a higher salary is more important than family life, that human beings can live comfortably in isolation from each other, or that a new factory is necessarily more important than the productive land which it will sterilize.

According to the report—

Mr. Trudeau said it no longer is surprising to see young married couples leave large cities in favour of life in smaller communities—

Perhaps they want to get away from CBC programs. I continue quoting:

—or to hear employees turn down transfers to large cities even at the cost of financial gain and career advancement.

That seems to contradict Mr. Hirsch's viewpoint. Others entered the letter-writing game. One letter which ought to be on the record is from the hon. member for Kenora-Rainy River (Mr. Reid), who is deputy House leader. In writing his letter to the editor, he said:

We feel that because we are totally dependent on CBC-TV there ought to be greater attention paid to our needs and requirements. Even some of the CBC officials understand this point. But of course it is rejected by the "artsy" CBC production people whose main purpose in life is to work out their own private fantasies and frustrations on a captive audience.

● (1720)

My constituents complain this year that CBC programming has deteriorated in quality, that when they see a "Canadian content" program they automatically cringe. Instead of using art to make their points, "Canadian content" productions use dirty words, vulgar expressions, scenes of sexual congress.

That is from the hon. member for Kenora-Rainy River. I now quote from a recent letter from the hon. member for St. John's East (Mr. McGrath) who has had a long interest in this matter:

The United States Surgeon-General, in a recent report to Congress, has concluded, after two years of research, that there is a "causal relationship between television violence and anti-social behavior to warrant proper and immediate remedial action"—

I am satisfied that there is a causal relationship between the increase in crimes of violence in Canada and violence shown on television. There is, in my opinion, sufficient evidence to warrant immediate action.

The hon. member for St. John East then refers to his bill to amend the Broadcasting Act with respect to the portrayal of sex and violence. His final statement reads as follows:

In my opinion, social control for the protection of children is unrelated to censorship and interference with the civil liberties of adults. History clearly shows that regulations to protect children be they with regard to child labor, food, drink, arms, sex, publications, etc., have never played any role in the abridgement of political or civil liberties for adults. Where freedom has fallen, it has come about in a totally different way.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. The hon. member can only continue with unanimous consent. Is this agreed?

Some hon. Members: Agreed.

Mr. Dinsdale: Not only have I been denied access to the letters so that we might properly understand the problem, but not once have I received an invitation to appear on any CBC program to discuss matters of this kind. I can only conclude this is a form of censorship by exclusion because this is a subject the CBC is not even willing to discuss over its own broadcasting facilities. It is for this reason I trust hon. members will support me so that we can bring this chartered libertine under control and have the CBC accept its responsibility as the chosen organ for public broadcasting in this country.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, I am happy to take part in the debate this afternoon, because the contents of the motion of the hon. member for Brandon-Souris (Mr. Dinsdale) are almost similar to those of the motion put before the House some 15 days ago. At that time, the motion called for production of correspondence between the Secretary of State (Mr. Faulkner) and the Minister of Justice (Mr. Lang) about the subsidy applied for by a group of Canadian women.

Today's motion calls for production of the correspondence the CBC is said to have received following broadcasting of a play entitled *Baptizing*.

I followed the speech of the hon. member for Brandon-Souris very closely, and throughout I wondered what his purpose is in requesting the House to force the Crown company to produce those documents. He himself mentioned, in the course of his remarks, that over 2,500,000 Canadians had seen the play, which is the highest rating ever registered for that type of broadcast. He also mentioned that the viewers' approval index reached over 70 per cent, and that more than 50 per cent of the viewers—

An hon. Member: That is the CBC viewpoint.

Mr. Joyal: The hon. member should allow me to proceed with my statement, for I listened carefully to his. If he wants to ask questions, Madam Speaker, I shall be pleased to answer them.

He stated that over 50 per cent of viewers had said they were satisfied. I do not think anyway that the aim of this debate is to question the CBC's statistics. We know quite well that when companies, whether public or private, comment on the opinion of the Canadian public on their own services, the public is sufficiently mature to analyse those statistics and put them back in their proper context.

During this debate I also became aware of comments in various Canadian newspapers, and of course I realize that it was just as easy to quote favourable letters as to quote hostile ones, expressing criticisms of the program. During the hon. member's speech, I could not help remembering a program which, Madam Speaker, you may have seen on the CBC network, around 1956 or 1958 I think, after the canonization or beatification of Marguerite de La Jemmerais, when the CBC featured a drama relating the main events in the life of that Canadian woman which probably had a similar audience as the program we are discussing today, and raised such a general outcry from the Canadian people.

But to revert to the heart of the matter, I am somewhat surprised that the hon. member did not even mention that the very subject of his motion is the tabling of documents. That question, as I said at the beginning of my statement, has been frequently raised in this House since the beginning of this session, and that motion is indirectly supported by Bill C-225, introduced by a colleague of the hon. member, the hon. member for Peace River (Mr. Baldwin), which is presently being discussed by the Committee on Regulations and Other Statutory Instruments.

In fact, that committee had the opportunity to hear the hon. member for Peace River deal with government guidelines respecting the confidentiality of some documents or the objection the government might have to tabling some documents.

I too have tried to check the reasons why the CBC will not allow this correspondence to be published.

Criteria to be applied for exemption from production of government papers include the following, and I quote:

7. Papers of a voluminous character or which would require an inordinate cost or length of time to prepare.

I believe this criterion, among others, may have a bearing on the present instance.

There is also criterion no. 15, which reads as follows:

15. Internal departmental memoranda.

This also might receive application in this instance. And finally we come to the following heading:

Minister's correspondence

... that is, exchanges of documents between a minister and a Crown corporation whose minister is answerable to the House, or exchange of papers between ministers on the implementation of various government programs.

Clearly, if the CBC were to be required to produce correspondence received or exchanged with the minister or the public, on any of its programs that might lead to comments or protests from Canadians, it would require a much larger budget, because such requests would be so numerous every time there is objections among viewers, that the situation would be far beyond control.

Surely, if the CBC's way of discharging its responsibility to prepare programs is to be questioned, I believe today's debate is not the best forum.

During hearings of the standing committee on Broadcasting, Films and Assistance to the Arts, when the CBC's representatives appeared, I believe it was three weeks ago—the chairman himself appeared—members had an opportunity to question the latter on program contents. During these hearings they were able to voice their views.

I do not believe that adding correspondence will allow us to truly determine criteria as to the way in which the CBC fulfills its responsibility to prepare adequate programming. Evidently the corporation, when dealing with the whole Canadian public, must meet certain requirements for general adequacy. It is clearly not within the term of reference of the CBC to spearhead the evolution of mores within the Canadian society, and it is not within its term of reference to slow it down either.

● (1730)

I feel that the CBC's first responsibility is to reflect the Canadian society as it is now, although one may of course wonder when one considers the statistics which the hon. member quoted a while ago and which I quoted myself bearing witness to the fact that Canadians are extremely sensitive to this program, notwithstanding the qualified reaction they have had.

When the CBC however must define its responsibility as to programming, it must do so while taking into account the state of the evolution of mores within the Canadian society.

It is very easy to criticize the CBC, for it is the corporation which lays itself more open to criticism. Why? Because it is almost free from government control. There are two elements which I should like to mention and which emphasize my point.

About two years ago, a program was broadcast at 8 o'clock, therefore at prime time for families during which some scenes dealt with homosexuality. A month or a week later, the programs were suspended and the series was discontinued for the remainder of the season.

I think that no motion was then introduced in the House asking the minister responsible for the Canadian Broadcasting Corporation to file the correspondence exchanged about the program. Under the circumstances the CBC was probably questioning the same kind of morality as in the program *Baptizing;* it did show such maturity that I think its deserves our confidence.

Other judgments could be passed about the CBC and the way the government is discharging its responsibility towards that Crown corporation. I would like to mention to the hon. member a thesis submitted to La Sorbonne in February and for which that university has awarded a doctorate to Miss Denise Bombardier who was a Canadian student in Paris. Its specifically dealt with a study on the control of the CBC status, as a Crown corporation in relation with other European television networks. And the main conclusions of her thesis were that the CBC was one of the freest television systems in the world. Of course, if the doors are thrown wide open, schedules and broadcasts may contain programs that are shocking, likely to call for blame and particularly likely to force CBC officials to withdraw those programs from the schedule.

I think it was done in the past, and I also think they are likely to retain the confidence already expressed on several occasions by Parliament vis-à-vis the CBC. I do not mean that the CBC must be absolved of all the mistakes and errors it may have been guilty of in the past, and particularly those that will happen in the future. Because, you see, Madam Speaker, when you rely on an institution run by men, errors are always possible. There have been some, there will be others. Our responsibility is to set the main criteria delimiting the operation of the Crown corporation. It is not necessarily by trying to arouse the passions of Canadians for or against such and such a type of program that we will fulfill our mandate. Our mandate is to ensure that the Crown corporation best serves the interests of Canadian morals as they exist now because there are Canadians who are behind average morals, and others who are ahead. This is an ever changing situation that the Corporation must reflect. Of course, it makes mistakes but I do not think that our role is to brandish the stick or the machine gun every time there is that kind of outbursts. On the contrary, I believe that on the long term, the record of the CBC is still favourable. And if we can attract comments like those which I mentioned and which have been approved by a university outside Canada, I believe that the CBC still deserves our confidence. But if these criteria which I mentioned a while ago had to be applied and if the attitude of the government in this matter had to be reviewed, we should refer this to the Committee on Regulations and Other Statutory Instruments, review this list of criteria and proceed so that the bill introduced by the hon. member for Peace River can be debated and so that this bill may include elements which will prevent a Crown corporation from having a tendency or an orientation toward secrecy which stops Parliament from assuming its own responsibility, which is to control its operations.

Of course, Madam Speaker, when we talk about cultural issues, taste and morality, the interpretation is exceedingly flexible. We can give to the same painting, the same literary hour, a series of definitions and values which can be as valid for various people who are considering them. I am thinking, for instance, about the difficulties that the Canadian courts had in applying the criminal laws concerning morality. What is obscene and what is not? What, by its nature, can shock public morality and what is acceptable? All these limits are extremely flexible. They change with the events and I am certain that the morality of today's society in 1975 is not the same as the one to which I was referring when I mentioned this program of

1958. If the same drama were broadcast today, it would probably pass unnoticed.

The same applies to this program. Maybe in five years from now, no one will even pay any attention. Naturally, the role of a Crown corporation is not to aggravate the opinion of Canadians. And were I personally convinced that the CBC was not conscious of such a role, I would be the first to intervene in the House, and when the CBC appeared before the Standing Committee on Broadcasting, Films and Assistance to the Arts, I would have joined my colleagues and expressed my opposition as well to the way in which the CBC has so far carried out its mandate.

Finally, I feel that guidelines such as those being now applied for the production of documents seem valid to me. The government has defined in very precise and explicit fashion its notice of motion on the production of documents, which should now open the doors wider to publicity on all decisions and information likely to help the government take its own decisions. On the whole, I feel that if we are to amend its guidelines, that ought to be done by the committee, and not simply by asking for the production of letters on a program which, all things considered, remains of very slight importance amidst all that is heard and published in Canada.

[*English*]

Mr. Gus MacFarlane (Hamilton Mountain): Madam Speaker, I want to assure the hon. member for Brandon-Souris (Mr. Dinsdale) that although I graduated from McGill and know Patrick Watson very well I have not been invited to "Some Honourable Members" either, so he is probably in very good company. I would also draw attention to the fact that on such a problem of social conscience I notice no member from the NDP has seen fit to attend at this hour, so I imagine they are not interested in the topic.

Mr. Dinsdale: They are out watching the CBC.

Mr. MacFarlane: I would like to stress the fact that I do not believe that it would be a sensible matter to table, or even request the tabling of, letters from the general public. I think we all realize that correspondence received from the public has its own benefit and its own nature of truth in it, and since, like the programs, it would be "in the eye of the beholder", we would only be making our own judgments of those letters.

I will have something to say about the program a little later on, but I think that the "eye of the beholder" has to be looked at pretty closely. I wonder what we would think if we looked down through the list of films some of us have seen. For example, I do not know whether any hon. members have seen the Scottish film called "The Brothers". If so, they would have seen the two brothers go out to the island, swim across the loch, and on the island one of the brothers catches his hand in a crevice, and then in the scene in the film he takes a knife and cuts his hand off and the blood rolls into the water. Nobody seemed to think that this was undue violence; it was part of the story and was accepted as such.

I wonder what we would think of "Volpone" when it was on the stage of Her Majesty's, as it was called, in Montreal, perhaps re-presented at O'Keefe's, with Donald Wolfit playing in it, and we see the scene where he comes across the stage, much like a wolf moving toward the fair maiden he is about to rape. I wonder whether we would say that this should not be seen by all those wealthy people who could buy tickets, and by the few students who could sneak in.

What would we really think if we took a look at some of Shakespeare's writings, and when he writes of Gloucester "Put out his eyes, out of their bloody sockets!". I wonder just how horrible this is.

● (1740)

I wonder what we would think of it all when we think of sex and remember that there she lay, the fair Lucretia, two alabaster castles in white, where the breath came and went and the currents moved slowly. Is this terribly sexual, or is this beautiful writing? It is in "the eye of the beholder" to a great extent.

If we want to come back to our young people, and I caution you about being certain when you talk about young people that you have some experiences with them, we should not always see them as adults. One Sunday in Ottawa if you happen to be attending a speaking engagement here and not in your riding, you should go out and see what the young people, the little people do. They are at Kung Fu or they are at a Sunday afternoon movie.

What is this Kung Fu? I really do not like Kung Fu films. I was probably fairly agile in my day. I think I can still do a pretty good Russian dance and throw a few pretty good drop kicks, but I am not really too interested in that. But you had better go and see these things. What do you see there? Do you see them performing these actions which people say are just exhibits of violence? Suddenly do you find all the children very, very silent, and then suddenly the bad guy does something and they say "boo", just like we did for Ken Maynard, when we shouted "hurrah" for Tom Mix, and booed the bad guy? There is no difference. These are great morality plays. We should take a look at that aspect of it and see what is actually happening.

I know I used to have fights on Fifth Avenue in Verdun and I never used to win. The other guy was Tom Mix and I used to play Ken Maynard, and the one guy wore black, and the one guy wore white. This is ridiculous. I do not think it is fair for us to presume that all this evil is happening, and everything we see on TV and all the violence are affecting young people in this way.

I remember sitting up at night at 11 o'clock when I was seven years old, turning on the radio, and "Here comes the Shadow; who knows what evil lurks in the minds of men?" My mother said I was going to have dreams. It was a good experience. It was exciting drama. I do not see any reason why we should be too concerned about the wonderful generation that is following. I do not think they will be easily hoodwinked. They will not be hoodwinked any more because of the fact that many of them are now interested enough, and the records show it, in returning to their churches. They have not been frightened by all of the hypocrisy that existed. They have gone back to their churches, and some of them have brought better music and ideas into the services of churches of all denominations.

Mr. Dinsdale: Agreed, but let us have the—

Mr. MacFarlane: Incidentally, these young people are very polite. They do not interrupt. They just usually wait until I stop talking and then ask me about the salary raises. They are very honest.

Mr. Dinsdale: Are you Irish?

Mr. MacFarlane: No, I am actually a Canadian who is proud of his Scottish heritage. In fact I am going after multiculturalism for assistance to buy bagpipes for Hamilton Mountain. I think this is a good idea.

I would like to say that I do not accept any undue exploitation. I am the last person who would believe in any form of censorship of any undue sensationalism. If you think honestly of the kind of letters you receive as a member of parliament you will know the kind of issues that are referred to in them. These are letters you receive from people who are very concerned about a specific issue.

Sometimes the people who do not write are sort of in agreement with what is occurring, or do not have any real comment to make. If you took your letters on a particular issue and threw them on the table—and you know that they would go right through the whole social gambit, right through from the bill on oil to the letters you get from Alberta as against those from Ontario—you would not get a fair sampling of the criticism of a program. I suggest you would have received a real bombardment and a real playing up of the very things on the program we are saying should not be exploited by the CBC. I think it is very dangerous to just ask for the presentation of documents which are indeed letters from people who are complaining.

I appreciate the sincerity of the hon. member for Brandon-Souris. I am sure he is making a point here. I think many of us are going to take a good look at the CBC. I have other questions to ask which do not concern this subject. I know that we will take heed of some of the things he has mentioned, but I really do not believe in the production of the documents.

I want to say that it is very important, and I hope I say this loud and clear so it is printed in many places, that we know that the young people who watch Kung Fu, and some of the things that some of us suggest are the violent things, do see in some of those things a bit of a morality play, the same as when playing "the King of the Castle," with the hope that the good guy wins. It is not a bad thing for them to have imagination and the desire to end up in good places. There is enough tragedy as you move through life without clouding it there.

The moment of enjoyment for these young people is not the moment where they grab flies and tear their legs off, as the people told us in the old days. I think we have to respect that. I would like to say on the other hand that the CBC in drama, in some of its presentations and earlier documentaries, as well as the new ones coming up, is not excelled in the world, and when we are talking about something we should not destroy the thing itself by trying to get at some of the appendages on the outside which we think should not be thrown at us.

The CBC does not need to throw at our generation, the young and the older people, some of the smut that is being shown today. There is no need to use rough language in the non-poetic way to make no points but just to use rough language. I agree with the hon. member completely in that regard.

By the same token I think a sensitive treatment of anything such as sexual relations of a man, a woman, people on this earth can be treated in the most beautiful of fashions. There are many, many ways in which this can be treated in an artistic way to bring home the fact that after all God's people do love, do experience, and that it is physical without being evil. The CBC does not need to do to us some of the things it is doing, and that is just trying to make something into a purely flesh experience for excitement, and to grab the attention of people who are less interested in the true artistic process of seeing the realism of theatre.

Mr. Roger Young (Niagara Falls): Madam Speaker, I trust that members will forgive me if I take a big gulp of air as I have just rushed back from a committee meeting in the west block. I would like to follow up some of the comments made by the hon. member for Hamilton Mountain (Mr. MacFarlane). I also have a great deal of trouble when I look at some of these motions for the production of papers, particularly in respect of a matter like this.

The first question that really comes to my mind is: having produced all these other letters, if they were to be produced, of what real value or benefit would that be? I think hon. members must realize that there are people in this country who are sincerely concerned about the programming we find on our national network. I think that is a valid concern. When they spend their evenings watching a few hours of television they want to be adequately and properly entertained, and not bothered by what they see.

It strikes me that each and every one of us in this country has the first and primary solution to this problem in respect of the content of television programming right within our grasp. If you do not like the program, or you do not like what you see, you can reach out with your fingers and turn the knob to the off position. You are then no longer bothered by what is there. I sometimes wonder whether this whole issue raised by some people does not involve their own attitudes which drive them to antagonize themselves by continuing to listen and watch programs they do not enjoy. This is particularly true when the opportunity is available in the first place for them to turn the set off rather than continue to watch, thus allowing the program to bother them. That is the easiest solution.

● (1750)

I think one must also remember that before considering the problem of turning the knob on or off it is necessary to buy the television set or radio in order to receive the program. I might again comment on what I said first gave me the most difficulty in this regard. I wonder what it is we should do with the letters and documents which are raising such a great issue. As a member of the broadcasting committee which interviewed Mr. Picard and his officials some two or three weeks ago I know that this situation, or problem if you like, was quite clearly aired before the committee. I do not recall that the hon. member who moved the motion attended those two committee meetings and raised any questions.

Mr. Dinsdale: Is the hon. member aware that there are 20 other committees which also had meetings?

Mr. Young: Yes, but certainly I would suggest that having prepared a motion of this importance to the hon. member, he himself might have attended the committee meetings at that time. We often switch around from committee to committee when there is a matter of some interest to us being discussed by a certain committee.

Mr. Speaker: Order.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

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

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

● (1800)

[*Translation*]

And being returned:

Mr. Speaker: Order, please. I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy of His Excellency the Governor General, has been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-59, An Act to provide for the resumption and continuation of longshoring, checking, cargo repairing and related operations at certain ports in the Province of Quebec.—Chapter No. 39.

Bill C-43, An Act to amend the Law Reform Commission Act.—Chapter No. 40.

Bill C-48, An Act to amend the Railway Act.—Chapter No. 41.

Bill C-26, An Act to amend the Civil Service Insurance Act.—Chapter No. 42.

Bill S-9, An Act to repeal the Proprietary or Patent Medicine Act and to amend the Trade Marks Act.—Chapter No. 43.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and

export trade—Mr. Macdonald (Rosedale)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: It being after six o'clock, I leave the chair to resume at 8 p.m.

At 6.05 p.m. the Committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On clause 21—*Purpose.*

Mr. Gillies: Mr. Chairman, at five o'clock I was speaking to the amendment we are proposing to clause 21. I had almost completed my remarks. I wish to reiterate strongly that the setting of prices of natural resources should not be a unilateral decision on the part of the federal government. The purpose of my amendment is to make it mandatory that the government, in setting prices, consult with the provinces, which constitutionally and, we believe, without question, own the resources.

It was not until the unique and strange experience in the Middle East that this fundamental principle came into question. We do not believe that the constitution should be rewritten through legislation of this kind in response to a particular phenomenon which developed far from Canadian shores. For these reasons I hope the minister will accept the amendment we have proposed.

Mr. Macdonald (Rosedale): Mr. Chairman, I wish to deal with the amendment itself. We have taken the opportunity to consider this, having had a copy of it from the hon. member for Qu'Appelle-Moose Mountain since late 1974.

It could be described as adding an editorial opinion to the legislation. It certainly has no effect in law with regard to the arrangement involved here. The hon. member for Don Valley said that he and his party were in favour of a procedure for consultation and that he hoped to achieve it by the adoption of his amendment. He overlooks the fact that in clause 22 and following clauses there are expressly stipulated in the bill provisions for just such consultation between the federal and provincial governments in an effort to reach agreement on an appropriate price. That is the whole context of division one of this particular part, namely, that there should be discussions between the two levels of government in an effort to reach agreement.

I am leaping ahead of myself, but clause 21 applies to both divisions of this part. The question is: what happens if agreement is not possible? If the Province of Alberta, for example, says that it should receive $1.30 or $1.35 for natural gas and a higher price for a barrel of oil, and the federal government says that because of the state of the economy and because of the impact this will have on other parts of the community it is far too high, and we simply cannot agree with that, the position the hon. gentleman would have us take is that—since the word veto has been used—if there is to be a veto in this regard, the veto should reside with the producing provinces. He would say that the provinces should be entitled to say to the rest of

Canada, which over time has come to use the oil, that they do not care what Canadians think is a fair price, the provinces will set their prices at their own level.

The hon. member for Don Valley may feel that way. I think it is fair to say, though, that the Premier of Ontario does not feel that way. The hon. member for Don Valley made reference, by way of analogy, to the impact on the province of Ontario in regard to other commodities. I take it that the Premier of Ontario has considered this question, and he has arrived at a similar conclusion to that of the federal government, namely, that ultimately if a price is to be set the price should be set by a national government which is responsible to a national electorate, and which has to take into account the interests of the nation as a whole as opposed to that of any single province or region. I believe that this is the point of disagreement between the official opposition and the government.

The opposition takes the view that a particular province should be entitled to exercise a final veto in these questions. We do not agree. We feel that on the question of interprovincial and international trade it is clear under the constitution that the provinces do not have this right and that the federal government does, and from time to time should exercise it.

Let us consider the terms of the amendment. If there is an agreement between the federal and provincial governments as provided by division one of Part II of the bill, then the provinces are not forgoing anything. In effect they are entering into an agreement, which they have the authority to do, with the federal government to arrive at a particular conclusion.

Just as we presume that the province agreed last year that it was in its own interest to arrive at an agreement with nine other premiers and the Prime Minister, so in this case, in the event of an agreement, there is no jurisdiction being forsaken. There is nothing being given up by the provinces. They will take the decision in their own best interests. Then, if there is no agreement, I think it is also fair to say that the province is still not forgoing anything, as the Crown is exercising the jurisdiction given to it under the constitution to create a marketing scheme, a plan for the national marketing of this product, on an interprovincial or international basis.

On that basis I think it is fair to observe that the amendment does not add anything to the law, or anything in a practical sense to the determination of the issues involved. We therefore feel it is not an effective amendment. As the hon. member will agree, the rhetoric in the amendment represents a statement on the constitution of Canada, which we regard as a misstatement. For that reason I will counsel my colleagues, when the time comes, to vote against this amendment.

Mr. Gillies: What position does the government take with respect to the fundamental constitutional position that resources are the property of the provinces and therefore come within their jurisdiction in connection with pricing? I do not think one can dispute inter-commerce or interprovincial trade, but on the fundamental issue of ownership, what position does the government take?

Mr. Macdonald (Rosedale): We have been on this debate for a long time, pre-dating the days when the hon. member undertook his present responsibilities. But I think it is useful to repeat that there is no contest at the federal level. For example, we have no hesitation in saying that with regard to the development of the oil sands, this is a resource totally within the Province of Alberta, and that if the province chooses not to develop those resources—to use a Biblical parable; if it chooses to leave that talent in the ground—then I think the hon. member will recognize that it is the decision of the province in that regard.

However, when a resource is developed and commodities are produced which the private sector or a provincial marketing commission then wishes to sell, either interprovincially or internationally, at that point it is no longer a question of ownership by the province; it comes into a broader market than that of the province alone. On that basis account has to be taken of the constitution which provides for this aspect of economic policy.

● (2010)

If the province chooses to misallocate its resources the federal government cannot do much about it; or if the province chooses to develop a resource in a certain way or not develop it at all, that is a reality which the federal government, in our system, must live with. But if at the point they are developed and the products involved in that development become the subject of interprovincial or international commerce, then the federal jurisdiction applies. I cited to the House earlier the judgment of the judicial committee of the Privy Council in Attorney General of Canada versus Attorney General of B.C., in which the point was made by Lord Tomlin that, no matter what may be the regional jurisdiction over the pricing of a product, when that product becomes the subject of trade in a broader market, at that point the jurisdiction of the federal government seizes and takes effect.

Mr. Andre: Mr. Chairman, I wish to address myself to a remark of the Minister of Energy, Mines and Resources, who dismissed the amendment proposed by my colleague from Don Valley as mere rhetoric. Let me read that amendment again. It proposes:

> That clause 21 on page 10 be amended by deleting line 42 and substituting therefor the following:
>
> "international markets, in co-operation at all times with the provinces of production which, in the interests and for the protection of consumers in other provinces, have foregone to the degree necessary to this purpose their constitutional autonomy over crude oil as a natural resource and are therefore entitled, so far as compensation may answer, to be restored to a position of equality with other provinces with respect to the administration and control of one of their natural resources."

The minister dismisses that as rhetoric. He might be interested in knowing that that language came from the 1930 amendment to the British North America Act, sometimes known as the Mineral Transfer Act, which says in part, and I quote:

> And whereas it is desirable that the province should be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resources as from its entrance into Confederation in 1905:

I will not quote any more. In other words, this amendment seeks to confirm that the government still holds the constitution of the country, the British North America Act as amended in 1930, as being valid in law. In find it

somewhat disturbing that the minister should dismiss as mere rhetoric the wording of an amendment to the British North America Act, as contained in the Mineral Transfer Act if 1930. That amendment came about as a result of 25 years of political agitation by the people of western Canada, who asked to be treated as equals in confederation and not as colonials living in colonies of central Canada. After 25 years of agitation, under a Conservative government they were able to bring about that amendment to the British North America Act which made Saskatchewan and Alberta the equals of the other provinces in Confederation. I don't think that was any act of great benevolence but, certainly, it was an act of justice.

Now the Minister of Energy, Mines and Resources seeks to turn the calendar back to before 1930 and to dismiss as rhetoric the very language of the law. Surely, if any doubt the minister's motives, what the minister has said should put their minds at rest.

Of course the minister went beyond the scope of this clause in his discussion and talked about the necessity of a veto clause. It is argued that under that veto clause, in the absence of agreement the federal government could, or would, in considering its national responsibilities impose an agreement. In his argument he conveniently dismissed two relevant facts. Perhaps we can discuss those when the appropriate clauses are discussed. Let me remind the minister that, for some 18 months, we have been under a price control regime in this country through which the federal government, at its own initiative and without discussion, has controlled the price of crude oil in this country. It has done this without the benefit of this veto clause, without the benefit of this legislation, and without legislative muscle.

Mr. Caccia: What do you mean by saying it was done without discussion?

Mr. Andre: This regime was imposed on September 4, 1973.

Mr. Caccia: But it was done after consultation, and you know it.

Mr. Andre: The hon. member opposite is playing fast and loose with history. He knows that this decision was arrived at after a certain cabinet meeting, after which the cabinet felt compelled to make a statement about inflation because of the noise the previous leader of the NDP had been making that summer throughout the country. The fact remains that a price control regime has been in place for one and a half years. Certainly it has been in place with the co-operation of producing provinces, even though they were aghast, alarmed, and angered by the federal government's taking such unilateral action without the slightest consultation. Nonetheless they co-operated, and co-operate to this day.

No province has given the slightest indication that it will not co-operate. On the contrary the minister has indicated already that his government is prepared to take unilateral action without consultation. No province has yet said it will not go along with the government. They have said, "We will go along." The minister, however, says he must have this veto clause in case agreement cannot be reached. What kind of agreement can you reach in the face of that veto clause? How can you negotiate staring down the barrel of a gun? What sort of negotiations will go on? The argument is completely ridiculous. Armed with this legislation the government can go to any meeting and say, "We suggest this." If any province dares to disagree, the government could claim there is no agreement. This is how it will be.

My friends of the NDP would never accept that sort of situation in labour-management negotiations. They would never agree to one side having that sort of veto clause. I mean, how can there be consultation and negotiation when one side has that sort of authority? Mr. Chairman, it is patently absurd. The existence of that veto clause would mean that the federal government could unilaterally decide on the price of crude oil and natural gas in Canada. The rest of the bill might as well not be there. The government might as well say, "We are going to control the price of natural gas and crude oil in this country, period." The law gives the provinces no assurance that there will be meaningful negotiation and consultation. After all, consider the assurances the government gave the provinces in the past.

I said a few moments ago that on September 4, 1973, the federal government, unilaterally and without consultation, introduced a price freeze. It was imposed two months after the publication of a document by the Minister of Energy, Mines and Resources called "An Energy Policy for Canada—Phase I". On page 9 the document asserts that no national policy can be contemplated without the fullest intergovernmental consultation and consensus. On page 58 these words are to be found:

> That there can be no effective set of national energy policies developed without the participation of the provincial governments is readily apparent . . . Obviously, policies developed in isolation in Ottawa hold scant hope for success.

We were assured there would be the fullest consultation, that the government understood the constitution of this country, that it recognized the provinces have jurisdiction over natural resources, and that it intended to consult the provinces before taking action. Then, two months later, without the slightest consultation, the minister unilaterally imposed the price freeze and the export tax. We know the whole sorry history after that. Now he says he needs this veto clause, because there might not be agreement. Balderdash!

The existence of this veto clause will guarantee that there will not be discussions, that there will not be negotiation, and that the minister will decide unilaterally, for political reasons rather than for reasons of national security, what the price shall be. That is just plain unacceptable.

● (2020)

In the hope of improving this bill somewhat, we would like added to the bill a short paragraph that might at least remind future ministers and bureaucrats that at all times there must be co-operation with the provinces of production. Under the British North America Act 1930, the provinces of Alberta and Saskatchewan were guaranteed equality with the other provinces of Canada with regard to the administration and control of their natural resources. We would like to see that incorporated in this bill.

I do not think it is acceptable advice to those on the opposite side, who are thinking about their vote and not just reacting in an automatic manner to the minister's directions to reconsider, that they should vote against this amendment on the basis of it being mere rhetoric. It is not rhetoric. It is the constitution of Canada, the British North America Act 1930.

Mr. Macdonald (Rosedale): Mr. Chairman, one of the predictable things about the hon. member for Calgary Centre is that as he rants on, he defeats his own argument.

The Chairman: Order, please. I do not think the amendment has been put to the committee. Maybe I should put it before the minister speaks. It is moved by Mr. Gillies:

That clause 21 on page 10 be amended by deleting line 42 and substituting therefor the following:

"international markets, in co-operation at all times with the provinces of production which, in the interests and for the protection of consumers in other provinces, have foregone to the degree necessary to this purpose their constitutional autonomy over crude oil as a natural resource and are therefore entitled, so far as compensation may answer, to be restored to a position of equality with other provinces with respect to the administration and control of one of their natural resources."

Mr. Macdonald (Rosedale): As I was saying, Mr. Chairman, one of the things about the hon. member for Calgary Centre is that if you give him enough rope, he will defeat himself in his particular proposal. In his final few words he really answered the main thrust of his argument.

The federal statute, which was the Alberta Natural Resources Act of 1930, and the other federal statutes in that regard do not purport to give to the province of Alberta and the other provinces any higher right in confederation than have the other provinces under Section 109 of the British North America Act. They of course gained responsibility for developing the natural resources in their provinces. Ontario and Quebec, and Nova Scotia and New Brunswick came into confederation subject to the overall responsibility of the federal government for trade and commerce. Therefore Alberta is on exactly the same basis. The observation is as relevant with regard to Alberta as it is with regard to the rest of the provinces.

The fact is that the province can decide to develop the resource it wishes. However, when it seeks to introduce the products of that development into interprovincial or international trade, it becomes subject to federal jurisdiction. I refer only to the wording here. It adds nothing to the constitution, it subtracts nothing and it adds nothing to this particular bill. It in no way detracts from the 1930 statute. The province has its right, but if it seeks to market its products outside its own boundaries it is subject to this particular jurisdiction. That is just not my viewpoint or the viewpoint of the federal government.

The hon. member indicated it was not a higher claim he was making for Alberta than Ontario. Premier of Ontario insisted to this government that to look after the broader interests of the country as a whole we should indeed have these powers. This was put before the first ministers at their last conference. Indeed it was put before the electors of Canada at the time of the last election that, in a moment like this, when it is not possible to arrive at an agreement, the level of government that should take the ultimate responsibility is the national one. It should not be left to any provincial government to have the final say. The point has been well made.

The only point I would add is that the hon. member sought to base an argument on some higher claim than the Alberta Natural Resources Act. This is the same claim Ontario would make. Ontario clearly recognizes that in interprovincial commerce it is the federal government which should take this final responsibility.

Mr. Baldwin: Mr. Chairman, I am deeply sorry that my friends to the left are not taking part in this interesting argument. I know they are in a difficult position. Their natural desire, indeed the urge which possesses them is to seek great chunks of power vested in the government. It is part and parcel of their philosophy. I understand that. This is indeed in conflict with their responsibility to their respective provinces.

If the hon. member for Nanaimo-Cowichan-The Islands, a former premier, were still in power at this time, he would be burning the wires with his protestations against the powers which the government of Canada is seeking here. He would be most unhappy about this.

I hope the members of the NDP will come to a full realization of their responsibilities before the bill is disposed of finally. As for the minister, we have given up hope on him on this particular issue. However, there is a larger audience beyond him. We will bounce our arguments off him in the belief they will be heard by others in the country and in due course the issue will be decided as to what extent the federal government has the right to trample on the constitution. They use as the sole criterion that when there is a genuine dispute as a result of the constitution, and our constitution is particularly difficult, they can over-ride the constitution and decide—

Mr. Macdonald (Rosedale): That is what the Premier of Ontario says.

Mr. Baldwin: I do not care what the Premier of Ontario says or what the Premier of Alberta says. I am here as a federal member of parliament, responsible to the people in my constituency.

Mr. Macdonald (Rosedale): Your disdain for the Premier of Ontario is noted.

Mr. Baldwin: I take my responsibility a little more seriously than does the minister. He reminds me of a judge I appeared before as a young lawyer. I had great respect and veneration for the courts, which I still have, although it is a little dimmed over time.

Mr. Macdonald (Rosedale): That is not the only thing that is dim.

Mr. Baldwin: That judge made a manifestly improper decision on the law. When counsel got up and objected, the judge said "When I don't like the law, I jump over the law." The minister has become a great jumper. He jumps over the law a great deal. He is certainly taking a very high jump at this time.

I know this is difficult. We have a situation with regard to energy, that exists in Canada as well as in many other parts of the world. If all consultation fails it may be desirable to have some supreme authority. If we do not have any divine providence to fix the price, the government, having the attitude that they are the agents for the Lord, are going to fix it themselves. This would be all very well if we were a unitary state, but we are not. We have a constitution that provides for these divisions of powers. Difficult though it may be, and hard though it may be, I say that we should all thank the Lord that that is the case. I am sure a lot of members from the province of Quebec have genuine reason to bless the constitution for the powers it gives that province, and I am amazed that they sit idly by, merely because the minister is a member of their own party, and watch him mutilate and virtually destroy part of the constitution in this way.

● (2030)

I say it is not good enough for this minister or any other minister to say that the government is trying to get agreement on a multilateral basis, but that if it cannot do so it will get agreement on a bilateral basis, and that if it cannot even get that it will fix the price and to hell with the constitution. Certainly that is the attitude the minister is taking. If some hon. members opposite are offended by my language, then they should take a serious look at what is involved here.

The minister said earlier that he contemplates that the effect of this legislation, if it passes the House unchanged with all these repugnant clauses in it, would be that the provincial Crown agency for any of the producing provinces would be able to purchase oil at the wellhead as a transaction within the province and not be subject to the prescribed price. If I am wrong in my interpretation of what the minister said, would he correct me?

Mr. Macdonald (Rosedale): Mr. Chairman, the law really speaks for itself. If it is a transaction to export from a province, then the bill applies. If it is not such a transaction, then there is no such application of the bill.

Mr. Baldwin: I hate to go around the old merry-go-round again but I have pointed out to the minister—I am sure his officials have filled him in on the facts of life in this regard—that crude oil coming out of the wellhead is automatically a mixture. This is a fact of life, so that when oil leaves the wellhead part of it will be consumed in the province and part will be exported outside the province, and it is impossible to identify these parts.

I did make that point previously, but the minister said, if I understood his response to a question from the hon. member for Nanaimo-Cowichan-The Islands correctly, that irrespective of that a purchase made at that time is considered to be a transaction entirely within the province. Therefore the minister said that situation is not covered by the legislation.

If I am wrong, then the minister can deal with the matter later. However, if that is the case, then let us say that the province of Alberta, or for that matter the province of Saskatchewan or the province of British Columbia, fixes the price at $8.75. This bill has been passed, and the federal government fixes the prescribed price at, say, $8.25. If the provincial Crown agency, for the purposes of the intraprovincial transaction, has purchased at the price of $8.75 and that transaction has not been challenged by this legislation, then I ask the minister to consider what would be the result. Does it mean that, as a matter of practical economics, the people involved in the next leg of the transaction, namely, those who purchase from the provincial Crown agency, must pay only $8.25? What is the position of the provincial Crown agency? Must it be compelled to sell at $8.25, despite the fact that it paid $8.75 at the wellhead? These are the practical problems that I am sure the minister must contemplate.

We have been talking about crude oil and have already been through the definition of crude oil. The minister made it plain that a great many commodities of a commercial nature that are derivatives, that have crude oil as their feed stock, can be covered by this particular legislation. My hon. friend from Calgary Centre went so far as to say that panty hose was covered. There may be other items, but certainly that is one. Hundreds of items may be covered by the bill. What is the situation with regard to these derivatives which are based on crude oil as the feed stock?

It is all very well for the minister to say that he has no intention of making the bill apply to such items. But we are not concerned with his intentions; we are concerned with the powers given by this legislation. If there is an industry in the province of Alberta, or the provinces of Saskatchewan or British Columbia, that produces a commodity based on crude oil, and which is defined as crude oil within the interpretation that the minister has fastened upon us by the amendments that have been brought in, then how does the prescribed price apply? Does the minister reserve the right, if there is a sale of the commodity, to fix the price at the factory? Is the minister saying that if this commodity is sold to a wholesaler who takes delivery at the factory, the wholesaler must pay the prescribed price even though it is a transaction that takes place entirely within the province?

I suggest that these are not fanciful ideas but are difficult and intricate problems that are created when government, without regard to what is the law not only as laid down in the constitution but as fixed by judicial decision, decides to enact legislation of this kind. Certainly these are problems we will have to deal with if this bill is passed. Perhaps the minister has answers now, perhaps not, but I should like to hear him in any event.

Mr. Macdonald (Rosedale): Mr. Chairman, the only question the hon. member has posed that has not been dealt with already is with regard to action that the marketing commission may take. The prescribed price on an export contract will be the prescribed price set out in the statute. Therefore whatever the marketing commission may have chosen to pay within the province, on any export transaction it will be bound by that price.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, the hon. member for Peace River seems to be somewhat upset that I have not taken part in the debate on his amendment. It is certainly not from any natural modesty or any reluctance to pontificate, which a politician can generally do at the drop of a hat. I learned a long time ago that if you have two small men in the ring with

one big fellow, it is a waste of time for both small men to punch away at each other; they should punch the big man. So whenever I think I can be of assistance to the hon. member for Peace River I try, and offer what assistance I can.

I must confess that any intervention by me with regard to this particular amendment is certainly not helpful. We have been over the ground a number of times and I have expressed my point of view. However, I do take exception to the fact that the hon. member is suggesting that the reason we are not supporting the idea of the provincial right to set prices, and the reason we are not vehement about the fact that the federal government is seeking to set the price of petroleum products that enter inter-provincial and international trade, is that we are anxious to see big government, big controls and centralization. As a matter of fact that comes strangely from a political party which campaigned up and down, and over the length and breadth of Canada last year advocating wage and price controls. Except for 10 per cent of the labour force which comes under federal labour law, 90 per cent of the wages and a very large part of industry in this country comes under provincial jurisdiction.

● (2040)

At no time did I hear my Conservative friends telling the people of Canada how they proposed to fix either wages or prices. Constitutionally the only way they could have done so would have been to ask each province to pass enabling legislation delegating to some federal agency or tribunal the power to set prices and wages.

This party has not been inconsistent. One of the first things we did when the last parliament was elected in 1972 was to introduce a motion calling for a two-price system for petroleum products. If my memory is correct, on January 25, 1973, I, on behalf of this party, moved a motion on an opposition day calling for a two-price system in Canada, and in October, 1973, I moved a further motion on an opposition day calling for the kind of system we felt would protect Canadians against the exorbitant prices that were being charged by OPEC countries on the international market, and to cushion the Canadian people against these unprecedented and unjustified increases in the price of oil.

When the government moved belatedly, I think it was on December 13, 1973, we supported it. Our position has not altered in any way, shape or form. We believe that in Canada there has to be some control by the federal and provincial governments in concert, if possible, on a commodity like this which on world markets has quadrupled in price. If the federal and provincial governments cannot agree, someone must have the authority to prevent the Canadian price from going to the world price.

There is no reason why the Canadian people should pay $12 or $15 a barrel for their own oil which only two years ago was worth $2.75 a barrel. The Canadian people have no right to be ripped off because of some constitutional argument that the federal government has not the power to establish the price. Very clearly it does have the power. It had the power in the matter of wheat.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

When the price of some classes of wheat and rapeseed went up to $8 a bushel on the Chicago market the government imposed a two-price system through the Wheat Board and kept the price down to the Canadian consumer, the livestock producers and feed purchasers in eastern Canada. This was done so they would not have to pay unjustified prices to western grain producers just because the world market had temporarily gone insane. When copper prices went out of line only a few short years ago the government stepped in and fixed a domestic price for copper as compared to the international price. There is nothing unusual about that.

I want to say in all kindness in respect of the amendment proposed that one of the reasons I did not get up and talk about it is that to me it is simply an expression of opinion that really does not relate to the clause at all and has no legal power whatsoever. I am not a lawyer, but I have rubbed shoulders enough with lawyers for a number of years so that I know even less about law now than before I began to rub shoulders with them, but I would invite anyone to explain to me how adding these words in the amendment to Clause 21(c) would have any legal effect whatsoever.

The hon. member for Calgary Centre said this was taken from the legislation having to do with the resource transfer legislation and the British North America Act. Of course it did, and it made sense in respect of that legislation. Under the British North America Act the original provinces that went into confederation in 1867, and those in 1871, had control of their resources. When Saskatchewan and Alberta became provinces in 1905 they were not given control of their resources. The hon. member was quite right when he said that was a very sore point with the people of the prairie provinces for a long time.

When the Bennett government brought in the legislation which gave the resources back to those provinces that did what this clause suggests. It restored to the position of equality with other provinces those provinces in respect of administration and control of one of their natural resources. Of course that was done.

As an aside, in addition to restoring that right to them the government was supposed to pay those provinces for having control of those resources all that prior time. I do not know how Alberta fared on that, but we never did get paid in Saskatchewan. The government under Mackenzie King agreed to cancel some old relief debts that it was never going to collect anyway to offset the $55 million the government owed Saskatchewan for the resources that had been used up from 1905 to 1931.

The words used by the hon. member for Don Valley have some relevance in the meaning of the resource transfer legislation, but I suggest they have no meaning added here, and that is why I did not intervene in the debate. I really think they would add nothing, except perhaps an editorial comment which is hardly of value in a piece of legislation like this.

May I say one further thing before I sit down. I think all of us recognize that, if it were at all possible, the best way to agree upon the price which should be charged the Canadian consumers for petroleum products is to reach an agreement between the producing provinces and the Gov-

ernment of Canada which has the responsibility for the national economy. We all hope that will still be done.

I must say also to the minister, and I do not say it to him as an individual but as a member of the government, that the possibility of reaching such an agreement was sadly reduced last year when the federal government, after getting an agreement with the provinces which cost those provinces $5 a barrel, in that they got that amount less than they would have received from the international price, turned around and said all resource companies had to pay income tax on royalties paid to the provincial governments. For the first time to my knowledge that expenditure by the resource industry has been treated as income and not deductible for income tax purposes. That is a good part of the reason why it is so difficult now to reach any agreement between the federal and provincial governments.

Mr. Andre: You can't trust them.

Mr. Douglas (Nanaimo-Cowichan-The Islands): My friend says that we cannot trust them. I suggest for very good reason; once bitten, twice shy.

Mr. Gillies: You are speaking better now, Tommy.

● (2050)

Mr. Douglas (Nanaimo-Cowichan-The Islands): My friends in the Conservative Party only like me when I am giving the Grits hell. My job is to point out when they are both wrong.

An hon. Member: You are good at it.

Mr. Knowles (Winnipeg North Centre): He has a two-edged sword.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I think a good deal of the resentment and hostility present today in the relations between the federal government and the oil producing provinces could have been resolved, and could still be resolved if the federal government were prepared to drop its unjustified and unwarranted intervention into the management of the resources of the provinces through a tax measure which I think was a scandalous intervention by the Minister of Finance in his budgets both of May 6 and November 18 last. At the beginning of the discussion I made a suggestion in respect of the bill. The minister, I am sure, would not want to accept it although he may as time goes on give some thought to it.

I think this legislation could pass much more quickly if the federal government were prepared to take out of the legislation the mandatory clauses, particularly clause 36 having to do with oil, and I believe clause 52 having to do with natural gas, the two clauses which give the federal government the power to set the price once it happens that an agreement cannot be reached with the provinces. But I do not stop there. I do not agree with my friends that this is satisfactory because, if the federal government does not have the final power to intervene, this would mean that the provinces would be able to set the price.

An hon. Member: Not necessarily.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The provinces could set the price in their interest rather than in the national interest. If the provinces are not prepared to enter into a joint agreement with the federal government then I am prepared to support the idea of the federal government having power to set the price. If the minister and his colleagues cannot reach a compromise with the provincial governments they can always introduce in the first, second or third week in June, an amendment to this legislation to include the mandatory provisions.

So far as this party is concerned we would support those mandatory provisions because otherwise we cannot have two-price systems in our country. In the final analysis the government must have the authority to fix the price after the temporary voluntary agreement ends on June 30.

Mr. Gillies: Why not a federal-provincial commission?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I would not worry about a federal-provincial commission because the federal government, operating under the constitution, is given the power to set the price within provinces and across provincial boundaries and it ought to exercise that authority. My criticism is not of the federal government exercising the power that the constitution gives it but that it has taken too long to use that power, and now that it is using it I propose to support it in doing so.

Mr. Gillies: Do you want in or out?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I want if possible to get a voluntary agreement and, if not, I want the federal government to have the power to impose an agreement because otherwise we would not have price control in this country. My friends who supported price control ought to be jumping with joy because finally the federal government has proceeded to fix the price of one commodity. If in the next few weeks before the federal minister brings down his budget the federal government and the provinces could reach some compromise with regard to the taxation of the resource industries so that all or part of the royalties paid to a provincial government will be deductible for income tax purposes, and if they could reach some agreement concerning the price, this mandatory power may not be needed.

I believe we would get this legislation through much more quickly if this mandatory power were not there, but if there is no agreement we think this mandatory power must be given the government, and we will support the government if it brings that measure before the House.

Mr. Bawden: Mr. Chairman, the hon. member to my left has had something to say about the elements that might be a factor in the resolution of our current energy problems in Canada. Certainly the national press is now stirred up about this, and the *Financial Post* has a special section on energy this week which leads off by saying:

> One of the least attractive characteristics of the federal government is its current preoccupation with talking a problem half-to-death, but doing next to nothing about resolving it. And nowhere is this clearer than in the energy sector.
>
> Despite the recent two-day federal-provincial summit meeting here, Canada seems no closer to any kind of comprehensive energy policy than it was a year ago after the last meeting of first ministers.

I am afraid that if we look at the history of energy matters and negotiations in this country during the past two years it becomes evident unfortunately that all these negotiations and relations between the federal government and the provincial governments, and between the federal government and the industry itself have been in an atmosphere of distrust, principally distrust of the federal government.

There are some obvious reasons for this which have been raised on numerous occasions in the past. I shall not go into them at the present time. I wish to deal with the three elements which might have brought the energy problem to a conclusion and which might have resolved this important matter for Canadians when the premiers met here in Ottawa with the Prime Minister. I cannot understand why at that time the Minister of Energy, Mines and Resources, the Prime Minister and the government did not come forward with a proposal to the provinces which might have resolved this matter without the need to return at a future time, probably in June, to try all over again. I say that had a resolution been possible we would not be here at the present time debating Bill C-32. We might look at what the various parties to these agreements want.

In the first place the provinces, including the province of Saskatchewan, are very interested in having provincial royalties, or the amounts paid by way of provincial royalties deductible for federal income tax purposes. This is one of the things the federal negotiators should have recognized as a carrot to hold out to the provinces.

In the second place one of the inhibiting factors in the development of future reserves in this country—and surely to goodness the Prime Minister and the Minister of Energy, Mines, and Resources have had enough to say about their concern for future resources of oil and gas—is the non-deductibility of the provincial royalties for income tax purposes, which is an important factor in the present disincentive program provided for explorers in this country. This is prohibitive when combined with the disincentives added by provincial royalties in the provinces of Saskatchewan and British Columbia.

The third element in the total mixture is price. If the federal government had really wanted to resolve the question of energy once and for all it should have made a proposal at the first ministers' meeting—I for one was very surprised it did not—which put forward a price for crude oil that was acceptable to the federal government but which was conditional on a reduction at least to a certain level of provincial royalties, and in turn the federal government could have provided as a further incentive, as the key incentive, to the provinces the deductibility of the provincial royalties for federal income tax purposes. Had this been the case, the deductibility of royalties would have provided the incentive for industry to get on with the job.

● (2100)

In the provinces of British Columbia and Saskatchewan where the present most severe factor is the high rate of provincial royalty, a reduction to an acceptable level which might have been proposed in the package by the federal government would have removed the other important element in the disincentives and in the current rules that are inhibiting exploration in those provinces. An increase in the price of crude could have compensated the provinces for their losses.

The Minister of Finance, in response to a question that I put to him on the cost of deductibility up to 25 per cent of provincial royalties, pointed out to me that the cost to the federal treasury was in the order of $300 million a year. This is a very modest and small amount to kick back into the mix to provide the provinces and the oil and gas industries with the incentives which they need. I might say that it is a paltry amount as compared with the $500 million of capital in the total proposed expenditures of some $1.5 billion in Petro-Can, proposed by the minister to achieve the goal of self-sufficiency in energy in this country in the future.

The other fact as it relates to Bill C-32 is that if the government had resolved the question of price at the first ministers' conference along with the other elements in an energy policy, we would have had the principal ingredients for the budget proposed by the Minister of Finance. But since the Minister of Finance says that he will bring down a budget before the end of May—that is, if he returns in time—one wonders how he will resolve the price of crude oil by that time. The Premier of Alberta has made it clear that there would be no agreement, so far as he is concerned, on the price of crude oil until he knows what is in the budget, simply because last year the government pulled the rug out from under the premiers in its May budget after an agreement had been reached on price at the first ministers' conference in March.

Now there is a high degree of urgency on the part of the government to pass Bill C-32 so that it can choose in advance all the key elements in the price of oil and gas for purposes of preparing its budget. The government will have prepared and delivered the budget with all the key elements chosen internally as a result of the fact that Bill C-32 will give the federal government the power to impose the very prices which it selected for the purpose of preparing its budget.

What is the reason for bringing the premiers back in June to discuss and finalize the whole matter of oil and gas prices? I believe that the meeting of the first ministers here earlier this month and the call to these first ministers to come to the capital were undertaken with the full intention on the part of the government that this meeting should be a failure. Thus we are launched into the passing of Bill C-32, which would not have been necessary if genuine and honest efforts had been made by the government to present to the premiers positive suggestions and recommendations that included the key elements of provincial royalties, and deductibility of provincial royalties for tax purposes, and combined with the price of oil and gas.

Mr. Baldwin: Before we leave this exciting issue, Mr. Chairman, I want to thank the hon. member for Nanaimo-Cowichan-The Islands. Although he was a little unkind, I think he acted as a catalyst. Although he said he is not a lawyer, he has rubbed shoulders with quite a few, and a lot has worn off on him. I think he has consciously gone to

the root of the issue. He has said, I believe, that in this particular situation and with this particular commodity the federal government should, all else failing, have the right to fix the price. He said that because there is a very unique and difficult situation. I think he has almost come to our point.

If the hon. member remembers, when we were dealing with the energy allocation supply bill, under clause 11 the government, with a little more understanding of the law than it has now, said that only when there is an emergency, or what is described as a national emergency—and it gave an indication of what kind of national emergency it had in mind—could it immediately invoke the provisions of the act and the right to allocate.

I think that is the situation here. The government will probably admit that it does not have the right to move in and fix prices unless the situation is so serious as to warrant it, or else following federal provincial arrangements, discussions, delegation of powers, and so on. But the situation with regard to crude oil derivatives is so difficult and unique at this stage in the economic history of this country and of the world that it would only require a little push to send it over into the area of being an emergency.

An emergency is contemplated in only two situations where that section of the BNA Act has been invoked successfully, that is, in the two world wars. As I tried to point out earlier, we have changed, because of the economic practice which prevails, and it will not take as much as a war, it would take something much less than a war or apprehension of a war or a revolution, although we did have an apprehended riot in Quebec, if I remember correctly. It takes much less than that to trigger off the peace, order and good government clause in terms of which the government would have the right to invoke this provision. In actual fact the hon. member for Nanaimo-Cowichan-The Islands and I are really pretty well on the same wavelength. I just want to get him up a little bit further with me on this issue.

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Amendment (Mr. Gillies) negatived: Yeas, 10; nays, 30.

● (2110)

The Chairman: Shall clause 21, as amended, carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause 21, as amended, agreed to on division.

On clause 22—*Provincial agreement on prices.*

Mr. Gillies: Mr. Chairman, I would like to move the following amendment to clause 22:

That clause 22 on page 11 be amended by adding thereto, next after line 17, the following:

"(3) Inasmuch as it is desirable that a producer-province should be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resources, an agreement entered into pursuant to subsection (1) or any regulation made under section 36 shall be subject to the proviso that the amount, if any, remaining when the amount of import compensation paid pursuant to Part IV is deducted from the amount collected by charges imposed under Part I shall be paid to the producer-provinces in the respective proportions that the number of barrels of oil from any producer-province on which the charge is collected is of the number of barrels of oil from all the producer-provinces on which the charge is collected."

I believe that the minister is familiar with this amendment. Its purpose is to be certain that after payments are made to equalize the price across the country, if any funds are left over from a tax which is charged, these funds should be returned to the producer provinces in the ratio of the contribution of each producer province to the amount of oil upon which the original export tax was originally collected. The reasoning behind this amendment is self-evident and supports the proposition that oil is a resource of the province, and that any tax revenue earned from the sale thereof, which is not needed to fulfil the original purpose of the bill to equalize prices across the country, should not accrue to the general revenue of the federal government.

Mr. Macdonald (Rosedale): Mr. Chairman, I rise on a point of order. I wish to raise for the consideration of the Chair the question of whether the amendment proposes the appropriation of part of the public revenue for a purpose which has not first been recommended to the House by the Governor in Council contrary to the provisions of Section 54 of the British North America Act, which reads as follows:

It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

There not having been a recommendation for this appropriation in the amendment proposed by the hon. member for Don Valley, I raise the question as to whether the amendment should be received by the House at this time.

The Chairman: I am grateful to the minister for raising the question. The Chair did not put the amendment when the hon. member for Don Valley took his seat because I wanted to have time to consider the amendment.

Mr. Andre: Mr. Chairman, I venture into an area in which I am admittedly lacking in expertise. However, since the minister has quoted from the British North America Act in support of his point of order that the funds which might be derived from the sale of oil surplus to that which might be used by the federal government should go back to the provinces contrary to the provisions in respect of royal recommendation, I will contribute in debate reference to another section of the British North America Act (1930) which states that:

—the interest of the Crown in all Crown lands, mines, minerals (precious and base) and royalties derived therefrom within the Province, and all sums due or payable for such lands, mines, minerals or royalties, shall, from and after the coming into force of this agreement and subject as therein otherwise provided belong to the province—

It seems to me that the British North America Act of 1930 states clearly that all sums due or payable for such lands, mines or minerals, including crude oil and natural gas, belong to the province. In a sense this amendment is merely saying they shall receive what belongs to them, in

keeping with the BNA Act of 1930. I submit that therefore the amendment is in order.

The Chairman: The concern I have is not only related to the recommendation, but also to the notice of a ways and means motion. Of course the amendment does not seem to impose a charge as such but seems to give a direction as to the distribution of moneys or surplus moneys which will be collected by the charge imposed by the government under this bill, and which is a condition which is not really identified or related to the recommendation to the notice of ways and means. I refer hon. members to citation 246 of Beauchesne's Fourth Edition, at page 207, paragraph (3) which says:

> The guiding principle in determining the effect of an amendment up on the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down *once for all* (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications.

I think the first part of that paragraph provides grounds to disallow the amendment as not procedurally acceptable, unless hon. members have other points I might have missed. This is a complicated piece of legislation. The implications of such legislation are not always easy to identify. I take into account the amendment as it is now worded, its objective, and the points raised by the Minister which are quite valid. Perhaps other hon. members have arguments which would lead me to another decision. I see the hon. member for Peace River is prepared to say a few words.

Mr. Baldwin: I do have a brief comment to make, Mr. Chairman. I think it would be quite correct if the wording of the recommendation had been more specific, but this is one of those more sensible recommendations, both from the point of view of the government and of the opposition, which simply says that His Excellency the Administrator has recommended to the House of Commons the present measure within the terms set out following in the bill itself. It goes on to provide for:

● (2120)

> —the administration of interprovincial, export and import trade in petroleum and petroleum products; to provide in the manner prescribed out of moneys appropriated by parliament for the payment of import compensation to eligible importers—and to provide in the manner prescribed out of moneys appropriated by parliament for petroleum supplies—

Clearly, a question of distribution is involved. If we were prohibited from making our amendment, it would follow, logically, that we should be prohibited from making almost any other type of amendment, because it could be argued that an amendment in effect goes beyond what is contained in the legislation and is therefore in conflict with the recommendation. Surely amendments are moved: to alter legislation being considered by a committee or the House.

The hon. member has proposed a certain method of distribution. We dislike the government's proposed method and want to see distribution carried on another way. If he were to attempt to add to the extent to which there could be a contribution out of revenues, or to add to the charges imposed on the taxpayers of this country, he would be completely out of court. But he is not doing that. He is saying, "We are taking this amount, which the bill contemplates will be raised, and this is the way we want it to be distributed." Clearly, that falls within the wording of the recommendation. We say, "We do not like your method of distribution." We want the committee to be given the opportunity to change that method.

Mr. Macdonald (Rosedale): Mr. Chairman, the recommendation, far from being general, is specific about the appropriation of funds. The wording of the recommendation in part is as follows:

> —to provide in the manner prescribed out of moneys appropriated by parliament for the payment of import compensation to eligible importers for defined petroleum . . . and to provide in the manner prescribed out of moneys appropriated by parliament for petroleum supplies transfer compensation in respect of petroleum to defined suppliers.

Surely the principle has long been established that, when a recommendation is as specific as this one and a decision has been taken by the Governor General in Council with respect to public funds, the impost to be raised, as under this statute, shall be applied in limited and specific ways.

We are up against the principle set out, for example, in citation 249(1) in Beauchesne's Fourth Edition which says, in part:

> No principle is better understood than the constitutional obligation that rests upon the executive government, of alone initiating measures imposing charges upon the public exchequer.

This bill provides arrangements for filling the public exchequer with money paid under the export tax, and the recommendation is in most specific terms as to how this shall be applied. Of course, the hon. member's amendment goes well beyond that.

The Chairman: I thank hon. members for their comments. Perhaps I should not commit myself in advance, but I have received notice of two similar or comparable amendments to be moved to clauses 23 and 36 by the hon. member for Nanaimo-Cowichan-The Islands. The hon. member's proposed amendments would provide for the distribution of moneys in a certain way. Part of the money would be spent on research and development.

If I were to let the committee decide on the amendment because I might feel it is a borderline case, as the hon. member contends, I should be opening the door to many other possibilities involving the use of moneys. This shows, I think, that my first impression was right and the amendment, to my mind, seems to go beyond the terms of the recommendation. I do not intend to read it, as the minister and the hon. member referred to it.

The hon. member for Peace River contends that the recommendation is not a limiting one and that the amendment has to do with the distribution of moneys. One must also consider that the hon. member for Don Valley is proposing something new which is not meant to be included in the recommendation preceding this bill.

I regret to say that the remarks of the hon. member for Peace River have not succeeded in changing my previous position. I feel strongly that accepting the hon. member's amendment would be contrary to principles set out in reference books such as Beauchesne's and May. As I said, it would open the door to more extreme amendments

dealing with distribution which would go very much beyond the recommendation and the objective of this legislation. I cannot, therefore, accept the amendment at this time.

Shall clause 22 carry?

Mr. Baldwin: On division.

Clause 22 agreed to on division.

On clause 23—*Prescribing maximum.*

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, clause 23 seeks to give the federal government power to set the price of crude oil entering into interprovincial and international trade, once the federal government and the producing province have reached an agreement. Of course my party agrees that such a price should be set, particularly in today's chaotic situation respecting petroleum prices around the world. What concerns us, however, is what the price will be. We may agree with the government when it says that the price must be set, but I am not sure we shall agree with the government as to the price which it will eventually set. We may not even agree on the price which the federal government and the provinces may agree to set.

I find the federal government's position with respect to the price of oil difficult to understand. At the first ministers' conference the Prime Minister opened his speech by saying that the price of oil would be going up. Actually he said that the price for the year beginning in July will have to be raised higher than it is now, and how much higher is something we should discuss. That statement seemed to be specific and clear.

When we began discussing Bill C-32 in committee of the whole, the minister surprised me and many committee members by saying that he was not committed to raising the price at the end of June. I have some difficulty reconciling those two statements. The Prime Minister said that beginning in July we must have higher prices. The minister said that he is not committed to raising prices at the end of June.

When I asked if that means that if the producing provinces did not raise prices the price may stay at $6.50 a barrel, I understood him to suggest that that might be the case. It is difficult to know the government's intentions. I suspect it intends to raise the price. I suspect that the Premiers of Alberta and Ontario and the Minister of Energy, Mines and Resources are doing a black spider mating dance, each wondering who is going to go first, each hoping the other will go first. In spite of the fact the head of the government said the price is going up at the beginning of July, the minister does not want to commit himself to raising the price in the hope that the provinces will raise the price and, if this legislation passes, the federal government will intervene and set a lower price.

● (2130)

This whole thing is a rather shabby sort of exhibition, regardless of what they are going to set the price at. When the minister was speaking the other day, he said that Premier Blakeney of Saskatchewan talked about an increased price of $2.50 a barrel. The Minister of Energy, Mines and Resources said he had something else in mind. I take it he wants $2 a barrel. The producing provinces probably want to set a somewhat higher price.

The position of our party has been made very clear. We do not think any increase in price is justified, either on the basis of increased operating costs or on the basis of earnings of the multinational oil companies. The breakdown of the cost per barrel at $6.50 a barrel made by the Petroleum Association of Canada last September shows that the actual production costs are very minimal. Certainly on the basis of what it costs to produce a barrel of oil, there is no justification for an increase. There can certainly be no justification on the ground that the oil companies are hard up. Their profits have doubled over the past two years. The only possible justification for raising the price of oil is to get sufficient money to stimulate exploration and development.

If the federal government allows the price to rise, as the major beneficiary it will collect about 80 cents a barrel on a $2 per barrel increase in taxes. The provinces will collect some royalty. In turn their consumers will have to pay higher prices for oil products. The main beneficiaries will be the oil companies.

The federal government will be saying to the consumers of Canada that they must pay eight cents or more per gallon for their gasoline, more for their farm heating fuels, and more for their diesel fuel, not because it costs more to produce, but because it is hoped that some of this money will be used by the oil industry to find more oil.

An hon. Member: It goes into royalties for Saskatchewan.

Mr. Douglas (Nanaimo-Cowichan-The Islands): If the hon. member will look at the breakdown of the Petroleum Association of Canada of last September he will see that before the new tax system that came in, out of every $6.50 a barrel they paid operating costs, taxes to the federal government, royalties to the provincial government, 40 cents a barrel for interest on money owed, and there was $1.55 a barrel for future development. Under the old tax system, they levied $1.55 a barrel on the $6.50 price. It will now be cut to $1.02 a barrel under the new tax system, unless the government changes its mind.

In spite of the exorbitant profits they have made in the past two years, oil drilling has been going down. In the past 12 months 93 drilling rigs left Canada. There is no guarantee that giving the oil industry more money will necessarily result in more exploration.

Mr. Gillies: Why did they leave?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I will tell the hon. member for Don Valley why they left. Nobody knows this better than he because he has had contacts with the business community for a good many years and is a very learned man in the field of business administration. I wish to quote from an article in the 1973 edition of the *Globe and Mail.* In an appearance before the National Energy Board, Mr. John Hardie of Gulf Oil Canada Limited is quoted as having said the following:

> It must be remembered that the oil business is not confined to Canada. To keep the people interested in exploring for and producing oil in Canada, the investment climate and the prospect of returns on investments in Canada will have to be competitive with oil investment opportunities elsewhere in the world, he said.

Mr. Gillies: True.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The hon. member says good.

Mr. Gillies: I said true.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Of course, in terms of the market economy, that is good. No matter what cash flow we have, no matter if we raise the price to give them more money, they will go where the investment opportunities are best. They will take the money they made in Canada through the multinational corporations and use it to drill in the Middle East, the North Sea, Africa or South America. There is no doubt they will do that. In their market economy that is naturally what they will do.

We have been saying that if the Canadian people are going to be asked to pay more for their oil products and the purpose of the increased price is to stimulate production and development, then the money which the Canadian consumer contributes to that end ought to go into a Canada resources security fund, administered by the federal and provincial governments on a 50/50 basis. The money should be used either in joint ventures with private industry or by the provincial governments on their own. It could also be used in joint ventures between the federal and provincial governments.

We have no right to allow the oil industry to put a further levy on the Canadian consumer in order to explore for oil in other places in the world. They have enough of a levy on now. We have a right to hold on to any increase in price. The producing governments and the federal governments should have the right, power and responsibility to see that any increase in price is used for exploration and development in this country. There is only one way we can do that, and that is to have that extra price, assuming it is $2 or whatever it may be, collected in the form of a charge by the Government of Canada, 50 per cent of it to into a Canadian resources security fund, 50 per cent of the fund to be controlled by the producing provinces on a pro rated basis, and 50 per cent of the fund to be controlled by the federal government. Therefore, I move:

● (2140)

That Bill C-32 be amended by renumbering section 23 as subsection 23 (1) and adding thereafter the following subsections:

(2) Where the Governor in Council has established maximum prices under subsection (1), there shall be imposed, levied and collected on each barrel of crude oil to which this Part applies a charge in the amount of that part of the prescribed price which exceeds the maximum selling price for a similar quality and kind of crude oil as of the 16th day of April, 1975.

(3) The Governor in Council shall collect such charge in accordance with regulations which may from time to time be promulgated.

(4) Where a producer-province has established a Crown agency to undertake the exploration and development of hydrocarbons in that province, the Governor in Council shall remit to that agency one half of any monies derived from the charges levied on crude oil produced in that province.

(5) Any monies not remitted to the producer-provinces under subsection (4) shall be used by the federal government, through the national petroleum corporation or otherwise, for the exploration and development of hydrocarbons in Canada.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Macdonald (Rosedale): Mr. Chairman, on a point of order, as you may perhaps have anticipated this is a corollary to the point of order I raised on the previous clause, namely, that by his amendment the hon. member is seeking to impose a further tax in this country without the advance sanction of a ways and means resolution or recommendation of the Crown. The tax to be imposed by the hon. gentleman is not confined, as the ways and means resolution is, to petroleum to be exported from Canada, either from December 1, 1974, on, or in the previous period April 1 to December 1, 1974. It is intended to apply to all oil, whether moving in international trade, as the ways and means resolution describes, or oil moving in interprovincial trade. The ways and means resolution does not go that far but applies itself to export only.

On that basis I submit that the hon. member's amendment comes within the terms of a number of inhibitions which have been recognized in our parliamentary practice. If I can refer to citation 263(2) in Beauchesne's Fourth Edition:

The principle that the sanction of the Crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by a Minister of the Crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of Parliament; nor can the amount of tax proposed on behalf of the Crown be augmented, nor any alteration made in the area of imposition.

Equally, citation 266(1) provides as follows:

A ways and means resolution is a necessary preliminary to the imposition of a new tax, the continuation of an expiring tax, an increase in the rate of an existing tax, or an extension of the incidence of a tax so as to include persons not already payers.

I submit that the hon. gentleman's amendment creates an additional tax on a group of taxpayers, and that, not being within the terms of the ways and means resolution and not being authorized by a governor in council recommendation, it is not in order at this time.

The Chairman: Order. While the minister was commenting on the acceptability of the amendment I examined the implications of the amendment and I must say I have come to about the same conclusion as the minister. As the Chair already said on the previous amendment put forward by the hon. member for Don Valley, the amendment of the hon. member for Nanaimo-Cowichan-The Islands is also unacceptable on two counts. One relates to the fact that it imposes a tax that has not been provided for in the ways and means motion; the second reason is that it goes beyond the recommendation in regard to the distribution of money in that the hon. member's amendment seems to recommend that the excess be oriented toward the exploration and development of hydrocarbons in Canada. Although this might be a very commendable and desirable proposition, it would have to be included in another piece of legislation or government measure supported by a recommendation of the Crown.

For these reasons, unless other hon. members have arguments they want to bring to the attention of the Chair in regard to some point I might have overlooked, I would have to refuse the amendment in its present form.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, I am not rising to argue with you or with any member of the committee regarding the amendment that I moved. I think the major mistake I made was to send the Chair, the minister, and the official opposition a copy of it well in advance, which gave them the chance to look up all the authorities.

Admittedly there are some difficulties about the amendment. However, I presented the amendment because I hoped that the minister, who has the power to ask for a wider royal recommendation to widen the terms of reference, would do so. I point out to the minister, and I think time will bear me out, that if there are substantial increases in the price of petroleum products which will have an inflationary effect in this country, particularly so far as farm products are concerned, and there is no justification for this other than the fact that we are going to increase the profits of the oil companies in the very shadowy hope that they will use the profits to look for oil, and it transpires that they do not look for oil and we have to come to their rescue, as we did with the Syncrude consortium, then there will be a very bad reaction in this country.

I think the minister will find that the Canadian people, who have always been fair and reasonable, will understand a government that says to them: "$6.50 is a good price for oil, the companies are doing very well on it, and we, the government, are getting a fair amount of taxation out of it; but if you want to have oil ten years from now, you will have to put some money into a fund to search for oil and to develop the oil resources of this country". I think people would understand that, providing the government can guarantee to them that it is for this the money will be used.

I think most people know that if the government does not take some steps along this line, this money will not be used, in the main, for increased exploration and development in Canada, and once again we will simply have ripped off the consumer. The government will get far better co-operation in the very difficult days that lie ahead in respect to the whole inflationary miasma in which we find ourselves if it gives the kind of leadership that is suggested in my proposed amendment.

Mr. Baldwin: Clause 23 refers to an agreement, and I notice that by subclause (2) of Clause 22 the agreement need not be expressed in any formal document executed on behalf of the parties if the expression of the agreement is contained in reciprocal orders in council. Is it the view of the minister that a condition precedent to the governor in council fixing maximum prices by regulation is that there would have to be two orders in council passed, one by the province and one by the federal government?

Mr. Macdonald (Rosedale): Mr. Chairman, I think the correct interpretation would be that there are really two routes by which an agreement could be signified. The first is by a formal document executed on behalf of the parties; the alternative, as the hon. member suggests, is an act in council at the provincial level and an act in council at the federal level.

Mr. Horner: Mr. Chairman, before clause 23 passes I think a few words should be said to make it abundantly clear that there was a great deal of error in the rationalization of my hon. friend from the NDP. First of all he said his party was not in favour of any increase whatever in the price of oil. He then went on to suggest that oil company profits are exorbitantly high now and we cannot stop some of those profits from going out of the country into world exploration. He then sort of admitted that Canada must be considered in the world oil context. He then quoted from a document which oil company officials had placed before the National Energy Board and suggested he understood what was being said in the statement he read from the *Globe and Mail*. He agreed with it, but he wondered how to go about making certain that this money would be reinvested in Canada.

● (2150)

To encourage more exploration in Canada we will have to increase the price of oil. The minister and the government owe it to the oil companies, Canadian or otherwise, to set out a formula in respect of how that price will be established under this bill, or under some other piece of legislation. These companies must know when that formula will be adopted for setting the price, if ever, in order that they can have confidence. The people involved in this industry in Canada, whether Canadians or otherwise, want a climate in which their investment can be secure. In other words, they want a climate in which they can estimate reasonably accurately what government action will be.

In recent years we have seen continuous intervention by one government or another, specifically by this government in disallowing royalities as a deductible item, by freezing prices, adjusting prices and changing the pricing system. This piece of legislation, particularly Clause 6, does not state what kind of a formula the government intends to use to bring about a climate of relative security which will encourage exploration in Canada.

There is a more secure climate in Great Britain under a socialist government for oil companies investing their money in exploration in the North Sea than there is in Canada. This is an odd situation. There is a better climate of security in the oil exploration field in countries like Indonesia than there is in Canada. This fact must weigh heavily on the shoulders of the minister, because he is the one person who has caused havoc in respect of the climate of security in the oil exploration field in Canada.

The hon. member for Nanaimo-Cowichan-The Islands stated that in the oil pricing allotment something like $1.50 is set aside as a depletion allowance because the cost of replacing oil today is extremely high, actually something in the neighbourhood of $4 to $6 per barrel. Surely even the hon. member for Nanaimo-Cowichan-The Islands realizes that we have more than likely found all the easy oil, and the hard to find oil is still to be found and brought to market.

The fact that the United States is having great difficulty in getting Prudhoe Bay oil to market in the United States when it desperately needs it is an example of some of the difficulties and costs that lie ahead, even after the

exploration has been carried out and the oil is found. It is ridiculous to suggest that we will encourage Canadian exploration, and Canadians generally to invest money in this country, when we know of the difficulties involved in getting some of the Arctic oil that has been found to our own market. It is ridiculous to suggest that an increase in the price of oil is not necessary even in respect of conventional oil still to be found in the Arctic, or just in that area north of the 60th parallel for that matter.

The cost of extracting oil from the tar sands is very high. The hon. member for Nanaimo-Cowichan-The Islands is an old politician from the province of Saskatchwan. While he does not represent that province here he is well versed in respect of oil exploration difficulties experienced by that province, and the difficulties facing the possible development of the tar sands in the province of Saskatchewan. There is that possibility, but not if he and his party steadfastly state that no price increase is necessary.

Oil extracting from tar sands is a labour-intensive project requiring extremely heavy machinery. The oil and sand mixed is a sticky, abrasive substance and the machinery wears out very quickly. I am sure the hon. member and his party must realize that with an inflationary economy the price of oil should fluctuate, particularly that price in respect of tar sands oil.

It is not good enough to say that we suspect that oil companies and those involved in the industry will take their money and run from Canada. The government must devise a system of inducement in order to encourage oil companies to invest their money here. This can be worked out very easily through an accelerated rate of depreciation. Such rates have been worked out with regard to manufacturing plants, and the same could be done for the oil industry. When profits are being taken from Canada to be used for exploration elsewhere the government should take action through taxation to discourage that. It is not good enough for the government to say it does not know how much of an increase in price is required, and therefore no increase should be allowed. We will eventually run out of oil and become a net importer. This is much like an ostrich hiding its head in the sand. May I call it ten o'clock?

The Acting Deputy Chairman: It being ten o'clock, it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

[Mr. Horner.]

NATIONAL DEFENCE—PROPOSAL FOR ESCALATION OF PENSIONS OF RETIRED PERSONNEL BEFORE AGE 60—REQUEST FOR REPORT

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on Tuesday, April 15, 1975, as reported at page 4814 of *Hansard*, I put a question to the Minister of National Defence (Mr. Richardson) in these terms:

● (2200)

When we were dealing in the latter part of 1974 with the estimates of the minister's department he said he would look into the matter of the unfairness created by the fact that retired armed services personnel have to wait until age 60 before their pensions are escalated. Is he now in a position to report on this matter?

The rest of the exchange, as recorded in *Hansard* on the page I indicated, is as follows:

HON. JAMES RICHARDSON (MINISTER OF NATIONAL DEFENCE): No, Mr. Speaker. I have no further report.

MR. KNOWLES (WINNIPEG NORTH CENTRE): Mr. Speaker, will the minister continue the study in the hope that he will have a report soon?

MR. RICHARDSON: Yes, Mr. Speaker, I will be glad to do so.

My reference to last fall had to do with Thursday, October 24, 1974, when we were dealing with the estimates of the Department of National Defence. On page 744 of *Hansard* for that date there is a record of my reminding the Minister of National Defence (Mr. Richardson) about what some of us regard as an unfairness in respect of the pensions of both retired armed forces personnel and retired RCMP personnel.

The pension plans affecting these two groups are similar to the Public Service Superannuation Act, but there is one difference, namely, that armed forces and RCMP personnel can retire earlier than is the case for public servants generally. Having retired early, armed forces and RCMP personnel find that the escalation of pensions which takes place annually due to the rise in the cost of living is denied them if they are under 60 years of age. In other words, if they are under 60 they have to wait until that age before the escalation begins. There could be some cases in which this might not be a hardship, but judging by my mail there are many cases where it is a hardship that National Defence retired personnel and RCMP retired personnel have to remain on fixed pension rates until age 60, especially in these times when the cost of living is escalating so rapidly.

The point is made, particularly in the case of National Defence personnel, that there is an element of discrimination in this against those of the lower ranks. This arises by virtue of the fact that one can get the escalation at an age younger than 60 if he is 55 years of age or over and has 30 full years of service. However, it is only those in the senior ranks who can put in that many years of service in the full-time armed forces. Junior ranks in most cases cannot accumulate 30 years of service and so there is a discrimination against them in this matter.

This is a subject that some of us have raised a good many times. It was a victory some years ago when we got the escalation of pensions of retired public servants, retired RCMP and retired armed forces personnel and all others who come under the aegis of the federal government, but it seems to be a shortcoming that those who

have served their country in the armed forces or in the Royal Canadian Mounted Police find that, although they retired regularly under the provisions of their contract, they have to stay on fixed pensions, even in times of rapid inflation, in some cases for a number of years.

When I raised this matter on October 24, 1974, I asked the Minister of National Defence if he would lock arms with his colleague, the Solicitor General (Mr. Allmand), who is responsible for the RCMP, and for the two of them to have a conference with the President of the Treasury Board (Mr. Chrétien). I recognized the fact that these plans all hang together and that there would have to be concerted action, and so I expressed the hope that the minister would consider this matter in concert with the Solicitor General and make the necessary representations to the President of the Treasury Board. My hope was that the two ministers on behalf of their respective employees would go to work for a better deal for both groups.

The minister's reply on that occasion was the same answer that I received on April 15, 1975. He said, "Yes, I will be glad to do that". I hope that by tonight there is a favourable report.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the amendments to the legislation governing escalation of annuities for retired members of the forces were approved by parliament after careful consideration of all the classes of retired persons involved, bearing in mind the cost to active members of the forces, the public service, and others, as well as the views of taxpayers, many of whom are covered under less generous pension plans. At that time there was substantial agreement that similar contributions and similar benefits should apply for retired members of the forces, the RCMP, the public service and former members of the House of Commons.

The determination of the age at which payment of annuity increases would begin for retired members of the forces and RCMP who had reached age 55 with 30 or more years of pensionable service was designed to remove the anomaly created by earlier amendments to the Public Service Superannuation Act, which permitted public servants to retire on unreduced annuities after reaching age 55 with 30 or more years of pensionable service. Because under the armed forces plan an individual can retire generally between age 44 and 55 and receive an unreduced annuity, it was considered equitable to begin payment of cost of living increases to the military, the RCMP and former members of the House of Commons at the same age as the public servant can receive an unreduced annuity.

Under the provisions of the Act, serving members of the Canadian forces, the RCMP, and the public service since 1970 are required to contribute equally with the government toward the cost of the supplementary cost of living benefits available to their annuities. Although the government assumed the full cost of increases for all those who benefit from annuities who retired prior to 1970, and the cost of the escalation for those retired since 1969 which is not covered by their contributions, it is evident that the contribution rate required to provide immediate escalation on retirement for members of the forces who retire between age 44 to 55 would be so much higher to support the program as to be prohibitive.

The legislation is subject to continuing review to determine whether further liberalization of the qualifying provisions can be made for all those concerned, bearing in mind the cost of further liberalization. I wish to assure the hon. member that it is the minister's desire to improve to the maximum possible the forces' superannuation plan, and some improvements that have been recommended are included in Bill C-52 now awaiting second reading.

While I am sympathetic to the complaints of those receiving annuities who would like immediate escalation, any change in benefits for their group must be assessed by priority in relation to the many other demands for improvements in social legislation, such as providing allowances for spouses of old age security recipients, lowering of the age at which old age security payments and Canada Pension Plan payments can be made, improving Canada Pension Plan benefits, providing a guaranteed income, assisting home ownership, and other social programs which would have a more universal application. For this reason the government is unable at this time to propose an earlier starting date for the escalation of annuities.

ALLEGED DIFFERENCE BETWEEN STATEMENTS BY MINISTERS ON INTEREST RATE ON LOAN TO CUBA

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my point of debate tonight arises from questions regarding the tortuous policies of CIDA and what appears to be careless and unrestricted waste of the Canadian taxpayers' money in many parts of the world, mostly in countries which the government likes to term the third world or the emerging countries of the world. My point tonight pertains to the government's $10 million loan to Communist Cuba as announced by the Secretary of State for External Affairs (Mr. MacEachen).

I brought this matter up first of all on February 20 during the CIDA debate, when I rose on a point of order. I quote from page 3408 of *Hansard* of that date:

● (2210)

—I rise on a point of order. Having listened to the minister's comments with interest and heard him speak about the Cuba loan, may I ask what is the interest rate on this loan?

MR. MACEACHEN: Mr. Speaker, I have the press release here. It contains all the details. I will be happy to send it to the hon. member.

As stated in *Hansard,* the minister sent me his press release revealing that the rate of interest was 3 per cent. That is now the established truth. This government is lending Communist Cuba $10 million for 30 years at the ridiculously low interest rate of 3 per cent, with no repayment required for the first seven years.

Just previous to that I had asked the Minister of Finance (Mr. Turner) during the question period how he could justify charging the Canadian taxpayers 9¾ per cent on a recent Canadian bond issue while lending this money to Communist Cuba at 3 per cent. The Minister's answer is to be found on page 3395 of *Hansard* for February 20, in which he admitted that the loan was being made, but that 3 per cent was not the rate of interest.

So, as you can see, Madam Speaker, I received two clearly different answers from two ministers. Which one

was the Canadian public and this House to believe? Someone was misleading the House.

On February 21, 1975, the next day, at page 3439 of *Hansard*, I asked the Prime Minister (Mr. Trudeau) what the correct answer was with regard to the rate of interest on this soft loan to Communist Cuba. Although I worked hard at it, you will note, Madam Speaker, that I received no answer from the Prime Minister. His reticence arouses suspicion and builds up more doubt in the minds of the Canadian public regarding the worthiness of this give-away program of CIDA to Communist Cuba. Why this policy of perfidy and deception? What is the affinity between Trudeau Liberal socialism and Communism?

Why is it so easy for Communist Cuba to obtain a $10 million loan from Canadian taxpayers? We have no business lending money in this way to any country, especially Cuba. As a nation in its own sphere in the Caribbean, it is probably as well off as any, and better off than most Caribbean nations. It is rolling in sugar wealth because the price of sugar is high. It is well financed by Communist Russia. Moreover, it is a totalitarian state, and when dealing with a totalitarian regime, the spirit of charity toward the people is soon cooled and extinguished by the greed and totalitarian power of their dictators.

I know there are other Canadian trade pacts with Cuba which have nothing to do with CIDA, and these trade arrangements and other temporary loans connected with them are calculated to pay off for Canada. I hope and trust that they will, but this soft loan and give-away program ought not to be allowed. I call upon the Prime Minister to put a stop to it. There are people in our own country who need help but are not getting it. Our native people are dissatisfied. A great percentage of them are destitute, distracted and poor. How the government can give Canadian tax money to Communist Cuba on such easy terms I cannot understand. I, and millions of Canadians tonight, want to know the answer.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, with reference to the alleged differences between statements by ministers on interest rates on a loan to Cuba, the statement by the Minister of Finance (Mr. Turner) on February 20 that Cuba was not receiving CIDA loan funds bearing interest at 3 per cent was a simple statement of fact pertaining to the situation at that time.

On February 6, 1975, the Secretary of State for External Affairs (Mr. MacEachen) had approved a $10 million loan by CIDA to Cuba at 3 per cent interest. This was the first time such a loan had been approved for Cuba. As of February 20, however, no funds had been disbursed against this loan.

CANADIAN PACIFIC RAILWAY—INCREASES IN COMMUTER FARES—REQUEST FOR GOVERNMENT ACTION TO PREVENT

Mr. Hal Herbert (Vaudreuil): Madam Speaker, the first thing I want to do is to correct the *Hansard* version of my question last Friday to the Minister of Transport (Mr. Marchand), in both English and French. In the French translation the inclusion of les mots "le chemin de fer" avant les mots "Canadien Pacifique" is necessary in order to distinguish between my question, which dealt with commuter fares, and the problem in the minister's mind having to do with increased air fares. My original question should have read:

> Is the minister aware of the outcry that has followed the announcement by Canadian Pacific Railway yesterday of major increases in commuter fares from Montreal and is he prepared to intercede immediately to stop the May I implementation date for this exorbitant public transportation fare structure?

I would underline the words "major increases in commuter fares" which, by the admission of CP Rail, are of the order of 26 per cent.

Let me make it clear at the start that I am not contesting the statement by Canadian Pacific that the costs of providing the Montreal commuter services totalled $5.6 million in 1974, that the revenues were $3 million, and that the loss was $2.6 million. Any discussion of the method of compilation of these figures is irrelevant to the main issue. The railway loses money. There are fewer trains than there were 25 years ago. The destination-to-destination time is longer; and many persons, myself included, maintain that trains are not as comfortable as they were. Few will dispute that there has been a deterioration in service.

The minister, in his response, spoke of a special appeal he was making to the airlines to exercise restraint, because some of the increases are really exaggerated and he does not believe the public can absorb those increases. We know that the airlines have been finding it hard this past year, but the problem of passenger rail traffic has been with us for many more years. The requests for increases in rail fares and the protests that follow come up with monotonous regularity.

I will now quote a paragraph from *Town Train News* of April, 1975. It says:

> In 1970, the CTC began a comprehensive investigation into the revenues and costs of rail commuter service in Canada, to determine what assistance, if any, need be provided respecting commuter service operations. To date, the results of this investigation have not been made known.

The article goes on to say:

> Montreal area commuter services have operated at a loss since shortly after World War Two.

CPR further goes on to maintain that, even with the suggested increases, the yield will be only enough to prevent an increase in 1975 of the amount of the loss sustained in 1974. According to *Town Train News* of April, 1975:

> Losses are calculated according to the method used by the Canadian Transport Commission and thus exclude fixed costs and only allow for replacement of equipment at its original cost, rather than what it would cost today.

As CPR clearly points out:

> Commuter services are not economically viable but they do provide certain social benefits beyond the value of revenues generated from the fares paid by the users themselves. There is therefore a legitimate need for financial support from public sources to ensure the viability of such services—

> Urban transportation planning must examine important social and ecological aspects as well as technical and operational factors. Traffic congestion, pollution and fuel economy must form a growing part of any planning process.

May I deal for a moment, Madam Speaker, with a cost comparison of rail versus automobile commuting between my home town of Hudson and Montreal. A return trip by rail under the new rates would cost $2.30. By car the cost of the return trip is between four and five times the amount of the rail fare, when insurance, depreciation and maintenance are apportioned on a mileage basis. Parking costs alone for an automobile can exceed the rail fare.

I could deal at length with the pollution problem of automobiles, but prefer to underline another aspect. The automobile uses subsidized, imported gasoline. The government contributes, through price equalization, about $10 per month to reduce the gasoline cost of each car commuting from Hudson to Montreal. There is no comparable subsidy with regard to rail fares.

In reply to a question I recently placed on the order paper, the Minister of Transport confirmed that there is no federal financial assistance to the Montreal CP rail commuter routes.

Mr. A. R. Campbell, CP Rail's general manager of passenger services said:

> Urban transport systems can no longer be provided in isolation from each other. Moving people in and out of cities has become a special kind of challenge that requires the integration of different modes of travel. The kind of integrated planning necessary is a big and essential job which will help shape the kind of over-all communities we have in the next decades and in the next century.

● (2220)

Mr. Robert Bandeen, president of the government owned Canadian National Railways, says that nationalization of privately owned CP Rail would be disastrous for transportation. It is my firm conviction that an efficiently, economically priced transportation system is an essential service.

I am aware of the examination of public transportation presently being undertaken by the department. Please do not let it take as long as the CTC comprehensive investigation which started in 1970 and still has to be concluded. In the meantime, as a gesture of faith and interest in public transportation, will the minister stop the May 1 implementation date for the major commuter fare increases on CP Rail Montreal lines?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, further to the question asked in the House by the hon. member for Vaudreuil (Mr. Herbert) on April 18 with respect to the increase in commuter fares that has been announced by CP Rail in the Montreal area, the Minister of Transport (Mr. Marchand) has contacted CP Rail to make the necessary inquiries.

As you know, the size of the increase is 26 per cent across-the-board, that is, for all types of fares such as one-way, ten trips, flash-cards, and irrespective of the distance travelled. The commuter routes involved are the following three routes: Montreal to Rigaud, Montreal to Farnham, and Montreal to Ste. Therese.

The principle behind the increase has been well explained. The rapid increases in operating costs for the railways have made it mandatory that an increase in fare be imposed. However, the principle that CP Rail has used in determining the extent of the increase appears to be quite reasonable. What, in fact, has been done is to ensure that the size of the deficit incurred in 1975 will not be greater than the one incurred in 1974. In other words, the increase in revenues provided by the increase in fares should compensate for the increase in costs for 1975. There is no attempt on the part of CP Rail to reduce the existing deficit.

It should be noted that the deficit incurred by CP Rail in 1974 was $2.6 million. It is hoped by CP that the 1975 deficit will be of the same magnitude because of the fare increase. It should be pointed out that the railway is not compensated for this loss by any government in any way.

It would be good to point out that the federal government has always considered that commuter services are a municipal and provincial responsibility. In the near future it can be expected that the federal government will be providing some help to these levels of government to meet their responsibilities in this respect.

The hon. member said he was aware of the task force study taking place at the present time. It is for that reason it is going on. The federal government is quite aware of it. Many reasons would work in favour of such an action by the federal government; improving the quality of urban environment, energy conservation, and so on.

Motion agreed to and the House adjourned at 10:26 p.m.

HOUSE OF COMMONS

Friday, April 25, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

VIET NAM—PROPOSED INQUIRY INTO CLOSING OF EMBASSY IN SAIGON AND PROVISION OF IMMIGRATION SERVICES—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I am prompted to do so out of a sense of shame felt by Canadians over the events unfolding in Viet Nam arising out of the closing of our embassy in Saigon which is being besieged by Vietnamese citizens who wish to come to Canada. I would therefore move, seconded by the hon. member for Provencher (Mr. Epp):

That the government order an immediate inquiry into the circumstances surrounding the decision to close the Canadian embassy in Saigon.

And further:

That the government take steps to provide immigration services to those Vietnamese citizens who wish to come to Canada and especially to Vietnamese citizens who were in the employ of the Canadian embassy in Saigon.

Mr. Speaker: Order, please. This motion, pursuant to Standing Order 43, cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

An hon. Member: Shame.

* * *

[*Translation*]

HOUSING

SUGGESTION FUNDS BE MADE AVAILABLE TO CMHC AT REDUCED INTEREST RATE—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with a very urgent issue.

Since the high interest rates discourage home builders as well as eventual buyers, thus paralyzing the economic sector of construction, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House very seriously consider that funds available to the Central Mortgage and Housing Corporation be provided by the Bank of Canada at an interest rate not exceeding administration costs in order to help more effectively to spur the construction industry.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

AUDITOR GENERAL

SUGGESTED REFERENCE TO COMMITTEE OF REPORT OF INDEPENDENT REVIEW COMMITTEE—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a motion under Standing Order 43, the urgent and pressing circumstances of which are the immediate need to provide the Auditor General with adequate authority to perform his duties and the vested interest of Parliament in this office. If leave is granted I would move:

That the Government House Leader be requested to forthwith consult through the usual channels on a reference to an appropriate parliamentary committee of the report of the 'Independent Review Committee on the Office of the Auditor General of Canada', and the draft bill prepared by the internal committee; the reference to include recommendations as to legislation to be brought in by the government and any consequential changes in Standing Orders.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

VIET NAM—CLOSING OF EMBASSY IN SAIGON—GOVERNMENT ACTION TO AID VIETNAMESE DESIRING TO COME TO CANADA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. Can he tell the House what steps the government is taking to correct the unfortunate situation in Saigon where many South Vietnamese, including many who worked faithfully for our government, seem to have been sadly deserted by the Canadian government. Vietnamese people have been told to return to our embassy for visa processing only to find that the embassy is closed. Will he in general declare today that in this grave situation Canadian compassion will be stronger than the administrative inhibitions of an apparently collapsing regime?

● (1110)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we have no information to confirm the report that there are Vietnamese who have permits to leave Saigon issued by the Vietnamese government and who would be able to get to the airport in order to come to Canada. I find this, as do members of the House of Commons, to be an extremely difficult and tragic situation.

Some hon. Members: Shabby.

Mr. Sharp: The Canadian government, like the governments of all countries except France and the United States, decided to withdraw our mission from Saigon because of the threat to the lives of the members of the missions. This was not a decision taken in isolation; it was taken in consultation with all our friends and allies.

An hon. Member: Except the United States and France.

Mr. Sharp: The United States, of course, is in a very special position in Viet Nam as an ally of that country once engaged in its military operations. They have armed forces in or near Viet Nam; we have nothing like that nor have any of our other allies. The French have made a decision to stay for quite different reasons. So, I do not believe that the Canadian government has been in any way callous, and my colleague, the Minister of Manpower and Immigration, will be very happy to give the facts as to the numbers of Vietnamese who were able to get out, and our willingness to take more if they can obtain permission and have some way of getting to the airport.

Mr. Macquarrie: Since the minister is not informed, will he activate the forces of our government to find out what the situation is? Will he find out if it is now the advice of Canadian personnel to tell the suffering Vietnamese to try the Americans because they have been able to cut through the red tape; and further, will he find now some use for the aircraft sitting in Hong Kong which, having delivered the pianos, the people and the cars, might now go back and get some more people?

Mr. Sharp: The information that I have from the United States government is that they are also observing the laws of Viet Nam. Moreover, I want to make it quite clear that there was plenty of space in our aircraft to carry other personnel if they had been able to get through the checkpoint at the airport. I do not think that the members of the House quite realize that there were police, there were military forces, guarding the airport who would not permit Vietnamese to go through the airport to board the planes because they did not have the permission of the Vietnamese government.

[Mr. Speaker.]

VIET NAM—SUGGESTION CANADIAN ACTION TO AID VIETNAMESE DESIRING TO COME TO CANADA SHOULD BE SIMILAR TO THAT OF UNITED STATES

Mr. Jake Epp (Provencher): My question is for the Acting Prime Minister, Mr. Speaker. Why did Canada not take the more humanitarian approach of the United States? According to reports, Americans have slashed through the red tape of the local government and are pulling out hundreds of Vietnamese who have worked with them. Why did we not take that approach rather than complying to the "T" with the restrictions, so unnecessary at this time, that the local government in Saigon is putting on us?

Hon. Mitchell Sharp (Acting Prime Minister): I know that the U.S. government would not appreciate the kind of comments being made by the hon. member. So far as I know, they are obeying the laws of Viet Nam.

VIET NAM—ALLEGED DIFFERENCE IN TREATMENT OF CHILEAN REFUGEES COMPARED TO VIETNAMESE

Mr. Jake Epp (Provencher): Why has the Canadian government adopted such a double standard with regard to refugees? In the Chilean situation, much pressure was put to have Chilean refugees come to this country, but the same standard is not being applied in South Viet Nam.

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Exactly the same standard has been applied. The difference is that the Chilean government gave permission for the Chileans to come to Canada. We have not been able to obtain the permission of the government of South Viet Nam.

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FINANCE

INCREASE IN MORTGAGE INTEREST RATES BY BANKS—GOVERNMENT ACTION TO REDUCE

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I had a question for the Minister of Finance, but in his absence, perhaps I can direct it to the Acting Prime Minister, who is a former Minister of Finance. Several major banks seem to have increased their mortgage interest rates in the last few days in response to the increase in demand for mortgages arising out of the demand for resale housing. Since such a move on the part of the banks to increase their interest rates will, in effect, wipe out all the benefits the government is trying to inject into the housing mar-

ket—things like reduction in sales tax, assistance on down payments, subsidized mortgage rates—can the Acting Prime Minister say whether the government is approaching the banks in order to get them to lower their interest rates so as not to nullify the existing programs?

Hon. C. M. Drury (Minister of State for Science and Technology): If I may, Mr. Speaker, I will take that question as notice.

Mr. Saltsman: Mr. Speaker, I would much rather have an answer than have my question taken as notice. It is an important question. Perhaps I might direct this question, then, to the very interested Minister of State for Urban Affairs, if I can get his attention. I ask the minister whether he is speaking to his colleagues and bringing to their attention the fact that this increase in mortgage interest rates by the banks will destroy his whole program of Assisted Home Ownership.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, we are vey much concerned about mortgage interest rates. I have not spoken to my colleague the Minister of Finance. He is in the Middle East, and I was not invited. I will be consulting with him on his return, but I can assure the House that Central Mortgage and Housing Corporation is in direct contact with the banks. The president has been in direct contact. I am meeting with other representatives today. This is a situation we are monitoring closely. We do not want to see the effects of the interest subsidy nullified. We want to see a realistic mortgage market which works to help build homes.

Mr. Saltsman: Since people from CMHC are in touch with the banks, as the minister has indicated, could the minister inform this House whether they are simply going there to find out what is happening or whether they are going with instructions to tell the banks to lower interest rates?

Mr. Danson: The corporation does not have the power to instruct the banks. We are discussing the situation to encourage more low interest money into the market and into housing. The important thing now is to see that that money is flowing under the new legislation, which was just passed, at the lowest possible rate, and that is what we are trying to negotiate, but we cannot instruct.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

DANGER FROM FLOATING LOGS ON OTTAWA RIVER—GOVERNMENT ACTION

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

Can the minister say whether her department is watching over the environmental situation of the Ottawa River, especially in this period of thaw, because the floating of logs which is about to begin may endanger the lives of both tourists and sportsmen who are using these waters. Is the department taking the necessary steps to ensure the safety of users?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, this would be normally a provincial responsibility, but as this is within the National Capital area, I have taken the initiative of having the past record of the Ottawa River opened a few months ago to examine this question of logs floating down the river. I shall probably be able to table a report on this in the near future.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

FILES IN POSSESSION OF DR. SHULMAN—REQUEST FOR CLARIFICATION—SUGGESTED ACTION AGAINST DR. SHULMAN

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Solicitor General. I appreciate that because of the experimental rules under which we are working, perhaps the Solicitor General may not have had the chance to do what I thought he was going to do. He was to correct an answer that he gave me yesterday in regard to the most recent allegations of Dr. Shulman. This matter was discussed in the Standing Committee on Justice and Legal Affairs last night but because it was a very direct answer in the House yesterday and, I suggest, an incorrect answer which I thought the minister wanted to correct, I wonder if he would tell us now what he knows about the allegations in regard to documents in Dr. Shulman's hands that involved political and union leaders in the land, one of the documents having been sent to the minister.

● (1120)

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker, I wanted to correct an answer I gave in the House yesterday. Unfortunately, I did not hear the question properly, I suppose due to the noise that was going on around me.

An hon. Member: Use your earphone.

Mr. Allmand: I always use my earphone.

An hon. Member: Turn it on.

Mr. Allmand: I apologized to the hon. member in committee last night. I did correct my answer with respect to the question he put. Of course, we are not aware of what files Dr. Shulman has, but I can tell the House there is no policy to keep files on political or labour leaders. They may be investigated like everyone else if they are suspected of crime or subversion. Dr. Shulman did send me part of one file that had been stolen and leaked to him. That file was from criminal intelligence files and it was not with respect to a political or labour figure but with respect to a person known in organized crime. I do not know what other files he might have but there is no policy of keeping files on political or labour figures although they may be investigated if suspected of an offence.

Mr. Nowlan: I appreciate the minister's answer which tied in pretty well with what he said in committee. The Commissioner of the RCMP, who was also in attendance at the committee, admitted an internal inquiry indicated that a certain number of files of a criminal intelligence nature were missing from police offices. Because of the gravity of the allegation involving potentially union and/or political people in the land, does the minister not feel that he should take some initiative to put Dr. Shulman on the spot—if this is possible—and meet with him to see just what he has rather than sending an officer of the RCMP to his office to start talking about the Official Secrets Act?

Mr. Allmand: Mr. Speaker, I would love to put Dr. Shulman on the spot. I might say that these files which were stolen were stolen in the years 1969 and 1970 approximately and not from an RCMP office in Toronto but from an Ontario government office, the criminal intelligence office of the Ontario government.

We sent an RCMP officer to Dr. Shulman to find out what information he had but he would not give the investigator any further information. I have asked the RCMP to look into this again and, following the meeting last night, I asked them to conduct an investigation into this whole matter. The RCMP told me they recommended that the files on this operation should not have been in that particular building but should always have been in a police building with proper security. So far, the Ontario government has not acted on that recommendation.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I also have a question for the Solicitor General who was talking about files being stolen. In light of the fact that under the Criminal Code we can issue search warrants, has the minister considered having a search warrant issued to find out if Dr. Shulman has such stolen files in his possession and so protect the individuals in question and then lay charges under the Criminal Code against Dr. Shulman if necessary?

Mr. Allmand: Following the meeting last night, Mr. Speaker, I spoke with the Commissioner of the RCMP and told him that this was a very serious matter because nobody was really protected as long as criminal record files and tapes of wire taps and so on were being leaked. I asked him to take whatever action was necessary to stop this sort of thing.

Mr. Woolliams: A supplementary question, Mr. Speaker. I agree, it is a serious matter. Any crime is serious. Here is a person, as admitted by the Solicitor General, who is in possession of stolen property. I suggest he be charged, and I would ask the minister this: Has he given any thought to obtaining an injunction from the High Court of Ontario to prevent the use and publication of private files relating to individuals who have never been charged with any crime. I ask this because that information should not be disseminated across this land by the publication of a book for money purposes.

Mr. Allmand: Mr. Speaker, I agree with the hon. member. I think, when files like this can be distributed and made public by a man in such a light way, that this is a severe threat to the civil liberties of individuals. I am not the Attorney General. I have no responsibility for prosecution, but I will certainly take under consideration these suggestions made by the hon. member.

[Mr. Allmand.]

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EXTERNAL AFFAIRS

VIET NAM—PERSON RESPONSIBLE FOR CLOSING EMBASSY IN SAIGON

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, may I address a question to the Acting Prime Minister relating to Viet Nam. Can the minister answer a simple question: Who gave the order to evacuate the Canadian embassy?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the order was given, or the authority was given to the ambassador to consult with friendly governments in the area and to co-ordinate his movement with theirs. He took responsibility, finally, for the decision and I think he exercised it correctly. At that time it was quite clear that the only embassies which would remain in Viet Nam were the French and the British. I believe that in the interests of Canada and our Canadian mission, the correct decision was taken.

Mr. Reynolds: A supplementary question, Mr. Speaker. After the consultation, did the ambassador ask for final authority, or did he assume the final authority on his own?

Mr. Sharp: Mr. Speaker, it is very difficult for me or for the hon. member, sitting here, to understand or appreciate the local situation. In the circumstances we gave authority to the ambassador to exercise his judgment, within the instructions. As I said, I believe he acted correctly. It is the decision we would have made in the circumstances.

VIET NAM—REASON FOR URGENCY IN CLOSING EMBASSY IN SAIGON—POSSIBILITY OF NAMING CANADIANS WHO REMAINED AS IMMIGRATION OFFICERS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister? As we already have some kind of relationship with Hanoi, what was the urgency, then, for disbanding the embassy in Saigon?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sorry, I do not understand the purport of the question. In my view it is very likely that if Saigon is overrun and that government does collapse, authority will reside not with North Viet Nam; it will reside with the provisional revolutionary government that has aspired to be the government of South Viet Nam.

Mr. Friesen: A supplementary question, Mr. Speaker. Since several Canadians volunteered to stay behind in Saigon, why did not the Canadian government authorize them to become immigration officials, in order to aid those Vietnamese who were abandoned by the Canadian government?

Mr. Speaker: The hon. member for St. John's East.

VIET NAM—SUGGESTED ACTION TO AID VIETNAMESE DESIRING TO COME TO CANADA

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is directed to the Minister of Manpower and Immigration. As a number of Canadians volunteered to stay behind and as a Canadian Hercules aircraft is in Hong Kong, will the minister show the same humanitarianism he showed in similar situations, such as the Chilean one, send that aircraft back to Saigon with Canadian personnel to discharge our obligation to the Vietnamese in Saigon who worked for Canada and eliminate some of the shame we have covered ourselves with in this situation.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the situation is clear. There is a list of 14,000 sponsored or nominated relatives of Canadians of Vietnamese or Cambodian origin. We dispatched the information to our officials, to our immigration officers in Saigon. Over the last several weeks they have been making a sincere effort to get in touch with the people whose names are on this list. Some of them they found, and those people were issued Canadian visas. That meant that we had cleared their entry to Canada without any red tape, on the basis of that information which had gone over. The problem was that the South Vietnamese government would not grant authority for those people to leave South Viet Nam; and if the hon. member will explain to me how Canadian officials in Saigon could force the South Vietnamese government to issue those visas, and we put all the heat, all the pressure on that we could, and we were as persuasive as we could be in getting visas for those people—

An hon. Member: How come the Americans did it?

Mr. Andras: Don't talk about the Americans until you know the facts.

Some hon. Members: Oh, oh!

● (1130)

Mr. Andras: My understanding is that the best information available to us is this. On the last day when that aircraft was leaving Saigon, any effort to take Vietnamese people out, even with our full blessing in terms of entry to Canada with Canadian visas, would have been stopped by the Vietnamese authorities who had check-points set up at several points along the road to the aircraft and were in fact searching and taking people out of cars. They have the military force and police to do it, if those people do not have exist visas. Consequently, I would like the hon. member to explain how we could have done more.

I might say that in so far as immigration presence there is concerned, we did contact these people. We sent out 1,908 letters to the heads of families on that list, which to the best of our knowledge includes all the names sent over to us. They have in their hands that authority to come to Canada. However, we cannot force the issue in so far as the ability of their getting out of Saigon is concerned.

Mr. McGrath: In view of the fact we have nothing to fear from either the PRG or the Viet Cong, and in view of the fact this is a rapidly changing situation and the authority of the Saigon government is rapidly diminishing, does the minister now intend to despatch immigration officers to Saigon, Hong Kong or elsewhere in the area to discharge our obligations to the Vietnamese? I ask this in light of the changing situation in that place.

Mr. Andras: Mr. Speaker, if there were an arrangement by which those people could get out of Viet Nam, the people to whom I am referring, particularly the sponsored and nominated relatives and Vietnamese working for the embassy, we would not need an immigration officer, although I would be quite prepared and have been discussing on a contingency basis sending back an immigration officer. That is not the problem. The problem is how do you collect them, get them to the airport and get them out without Vietnamese authority because that government still exists. That government is preventing people from getting to the airport.

VIET NAM—ALLEGATION MIKE DUFFY OF CBC HELPED VIETNAMESE LEAVE COUNTRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Manpower and Immigration whether it is true that Mike Duffy of the CBC has been able to get certain persons out of Saigon since the embassy was closed? If so, will he be named an immigration officer or chargé d'affaires?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in the last week or so some Vietnamese to whom we have issued visas were able to get out on commercial flights. However, whether it is Mr. Duffy or anybody else, and I have no criticism of him, it is one thing to get people out on a commercial flight. It is quite a different thing for our embassy in Saigon to try to fight their way through check-points with military personnel of the South Vietnamese government and the police preventing them from taking people to aircraft, if they do not have exit visas.

VIET NAM—REASON FOR FAILURE TO WITHDRAW CBC PERSONNEL—POSSIBILITY OF VOLUNTEERS FROM EXTERNAL AFFAIRS RETURNING TO SAIGON

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I will address my question to the Acting Prime Minister. In light of the fact the government believes the threat to the lives of Canadians is so acute in South Viet Nam that our embassy personnel had to be withdrawn before attending to a number of Vietnamese who are fearing for their lives and are anxious to immigrate to Canada, why have reporters of the CBC, who have fulfilled their job with courage and efficiency, also not been withdrawn to Canada?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, that is the responsibility of the broadcasting companies. I am sure the hon. member will agree they are there on a voluntary basis. Our embassy officials are there on instructions. We have a special responsibility toward our personnel not to expose them to unnecessary danger.

Mr. Beatty: As the CBC is a government owned network, does the government not feel it has a peculiar responsibility for the lives and well-being of its employees? In light of the minister's answer that it seems to be quite all right if people volunteer to stay behind in Viet Nam, does the minister intend to get in touch with employees of the External Affairs Department to ask whether volunteers will return to South Viet Nam to keep our embassy offices there open?

Mr. Sharp: On the first part of the question, Mr. Speaker, I do not think we have any greater responsibility for the employees of the CBC than we have for other Canadians. This is a decision that they make. If they want to go there in the interests of providing news for the Canadian people, I respect that and I rather admire it. In so far as the operation of the embassy is concerned, like other countries such as Britain, Japan, Australia, New Zealand, Thailand and every other country with the exception of France and the United States, all the embassies have been withdrawn. I think it was a wise decision.

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AIR CANADA

ESTEY INQUIRY—REQUEST FOR TABLING OF TERMS OF REFERENCE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Minister of Transport. Can the minister indicate if he has discussed the terms of reference of the Air Canada inquiry with Judge Estey? If so, did he also discuss the proposals offered by members of the opposition regarding the terms of reference and will he be in a position today to table the agreed-upon terms of reference between himself and Judge Estey?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker. In fact, I hope to have that before the end of the question period.

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FISHERIES

USE OF CANADIAN FORCES VESSELS TO INTERCEPT FOREIGN FISHING VESSELS IN CANADIAN TERRITORIAL WATERS

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I have a question for the Minister of State (Fisheries). Due to the problems caused by distant fishing fleets off the west coast of Canada, will Canadian Forces vessels with fisheries' officers be used to intercept foreign vessels which enter our 12-mile territorial sea, a practice which has been followed off the east coast of Canada with considerable success?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, in the case of our territorial waters, there is no problem. The protection act gives us clear authority. In the case of international waters, however, according to the reciprocal arrangements which we have—and we have these arrangements with Japan and the United States—

[Mr. Sharp.]

fisheries' officers can board other vessels within the framework of international agreements. In fact, recently the destroyer *Gatineau,* with a fisheries' officer on board, came across a Japanese fishing vessel. It was asked to leave the area, which was Canadian waters, and it complied. There was no violation reported.

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ENVIRONMENTAL AFFAIRS

SUGGESTED CHANGE IN ROUTE OF TANKERS TRANSPORTING ALASKAN OIL TO CHERRY POINT—PROGRESS OF DISCUSSIONS WITH UNITED STATES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of the Environment. In view of the fact that several days ago the Canadian government abandoned any further attempts to have the American government admit responsibility for the Cherry Point oil spill of several years ago, will the minister advise what steps are being taken between the government of Canada and the government of the United States with respect to negotiations aimed at persuading the Americans to change the destination point for Alaskan tankers, taking them out of the confined waters of the Strait of Juan de Fuca?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, we have not abandoned the case as the hon. member has stated. We still feel there is a responsibility there for that accident. With regard to the more general question, I discussed this with my counterpart in Washington three weeks ago. The hon. gentleman has never believed that we were looking at alternate options for the transportation of oil in that area. The hon. member has always chosen to interpret the negotiations we have undertaken with officials in the United States for developing vessel traffic schemes as an indicator that we did not have any feeling about these problems. However, the matter of an alternate port for these vessels is progressing. I am very satisfied with the fact that there is a law before the United States authority to provide a fund for building a pipleline in order that an alternate site can be chosen for the delivery of oil. All along, we were negotiating traffic schemes which were indispensable. We were working on other possibilities and I am happy to tell the hon. gentleman that I think we shall be successful.

● (1140)

POSSIBILITY OF AGREEMENT WITH UNITED STATES ON RESPONSIBILITY FOR OIL SPILLS AND PAYMENT OF COMPENSATION

Mr. John A. Fraser (Vancouver South): I am very pleased, as all members will be, by the minister's answer. I hope we are successful. Can the minister advise the House whether, in conjunction with these discussions, any attempt is being made to establish a treaty or other arrangement between the Canadian government and the government of the United States whereby each government, depending on whose nationals cause a spill, would be responsible for payment to the other in respect of damages caused by that spill.

Hon. Jeanne Sauvé (Minister of the Environment): These discussions already deal with contingency plans in case of accidents or spills. They relate to traffic schemes, the protection of the environment and compensation in case of accidents.

Mr. Fraser: Can the minister tell us specifically whether those discussions, aside from contingency plans to combat the spill itself, take into account the payment of damages after a spill has taken place?

Mrs. Sauvé: The answer is yes.

STUDY OF OKANAGAN WATER BASIN—DATE OF PUBLICATION OF REPORT

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of the Environment. In view of the fact that the implementation task force set up in connection with the Okanagan water basin study completed its report last December, and in view of the concern felt by the people of the Okanagan that action be taken on this study, may I ask when the minister intends to release this report?

Hon. Jeanne Sauvé (Minister of the Environment): I am not sure whether the implementation report is finished yet. In general, I favour the release of these reports. However, it might be some time before discussions are completed between DREE, the provincial authority and ourselves as to what exactly will go into that report. I think I can say in a general way that this report will be released at an opportune time.

Mr. Whittaker: The report was completed last December. Is it because the federal government is not prepared to assist in funding the projects recommended by the study that the report is not being released?

Mrs. Sauvé: No, we are looking at a joint program for enhancing that region. The report of last December was a study. It was released.

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EXTERNAL AFFAIRS

PROPOSED EXECUTION OF MIKHAIL LEVIEV BY SOVIET AUTHORITIES—SUGGESTED PROTEST BY CANADA

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs—the hon. gentleman may have had notice of this question, not from me but from someone else. Will the government remind the USSR, through its embassy, that the intended execution of Mikhail Leviev for economic crimes will harm that country's international reputation?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): I will take that suggestion under sympathetic consideration.

CANADIAN NATIONAL RAILWAYS

SUGGESTION PROPOSED LAY-OFF OF EMPLOYEES SHOULD NOT AFFECT MAINTENANCE WORKERS—INTERVENTION IN PROPOSED RATE INCREASE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a question to the Minister of Transport? Last week, the President of CNR announced that because of a reduction in traffic, about 2,500 employees of that railway company will be laid off. In view of the fact that of this number more than 1,500, it is estimated, are workers involved in the operation of maintenance services, and in view of the fact that as a result of an increasing number of railway accidents, derailments and so on, the CTC has called on the railways to upgrade the work done on track maintenance, would the minister discuss with the President of CNR the desirability of not laying off any of the people engaged in maintenance?

Hon. Jean Marchand (Minister of Transport): I will surely discuss this matter with pleasure with the President of the CNR.

Mr. Orlikow: Since a proportion of the decrease in traffic may be due to an increase in railway rates earlier this year, of between 25 and 30 per cent and to proposed further increases of 20 per cent, will the minister pursue with the railways and the CTC his expressed opposition to these rate increases?

Mr. Marchand (Langelier): It might be one of the reasons. I know there are other reasons, but this is a matter I would like to discuss with Mr. Bandeen.

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[*Translation*]

HOUSING

REQUEST FOR ADDITIONAL FUNDS TO STIMULATE CONSTRUCTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs, for whom I have the highest esteem.

Because public demand for the construction and purchase of houses is very high, the funds available to the Central Mortgage and Housing Corporation have already been committed for the summer, at least with regard to the Quebec area, and because Canada has just granted a $10 million loan to Cuba for a term of 30 years and an interest rate of 3 per cent, can the minister tell the House whether additional funds will be made available to the CMHC, and this, on the same terms as Cuba, to meet the demand, to give new impetus to the building industry and to fight against unemployment?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): I want to assure the hon. member that while the AHOP program is moving extremely well, there are still other funds available. I would urge all Canadians who are interested in securing loans to contact their CMHC offices, also, to contact the banks and private lenders from whom they can borrow under the new legislation. There

should be adequate funding available. I cannot comment on the availability of funds which might be diverted from Cuba into Canadian housing. That would have to be taken up with my colleague, the Secretary of State for External Affairs.

[*Translation*]

Mr. Lambert (Bellechasse): A supplementary, Mr. Speaker. Can the minister tell the House why loans are granted to foreign countries at lower interest rates than those charged to Canadian taxpayers, and will he make representations to his colleagues in the Cabinet to get funds for his department at the same conditions?

[*English*]

Mr. Danson: I fully support the policy of the government in helping developing nations. I think we must look at these two issues separately. I am certainly anxious to get as much funding for housing as possible, but I do not relate the two questions directly.

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FINANCE

ALLEGED STATEMENT BY MINISTER CANADA WOULD WELCOME ARAB MONEY—POSSIBLE CHANGE IN POLICY

Mr. James Gillies (Don Valley): A question to the Acting Minister of Finance. Reports from the Middle East in the last few days suggest the Minister of Finance is telling the countries he is visiting that Canada would welcome Arab money. Does this represent a policy change on the part of the government?

Hon. C. M. Drury (Acting Minister of Finance): I do not think so, Mr. Speaker. Canada has generally been receptive to investment from abroad. The House is well aware that the means by which we have successfully financed our balance of payments account for a number of years is through the inflow of capital from abroad. The Minister of Finance is simply reiterating a statement which has often been made here.

POSSIBILITY OF USING ARAB MONEY FOR HOUSING—MINISTER'S POSITION

Mr. James Gillies (Don Valley): A supplementary to the Secretary of State for Urban Affairs. Given the fact the Minister of Finance is now saying that Canada would welcome Arab investment in this country, will the hon. gentleman renew his request to the Minister of Finance that he be allowed to negotiate a loan of one billion dollars from the Arabs to help finance housing in Canada?

Hon. Barney Danson (Minister of State for Urban Affairs): I would expect the Minister of Finance to use his wisdom as he has done in the past to make certain there are adequate funds available for our housing program.

● (1150)

Mr. Gillies: Mr. Speaker, does the Minister of State for Urban Affairs then think that when the Minister of Finance turned down the request to use Arab funds to finance housing he was using the wisdom to which the minister refers?

Mr. Danson: Mr. Speaker, I do not think there is any question of turning down funds. I should like to point out, however, that there appears to be adequate funding in Canada from the national money lending institutions at this time. I would urge Canadians to take advantage of the legislation we have passed. I think this is rather important in this case because there were a number of important legislative items passed. Perhaps this was a month or two too late, because of the length of time it took to get these through the committee and the House, but it is important that we take advantage of the funds which the banks are prepared to lend.

As the hon. member for Waterloo-Cambridge has indicated, we are doing everything possible to make certain that these rates are brought down to the lowest possible level. There are funds available. I have spoken with the lending institutions and with CMHC, and I am satisfied at this time that there are adequate funds in Canada for Canadians to build the number of homes we need this year.

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AIR TRANSPORT

AIR STEWARDESSES—INQUIRY AS TO ARRANGEMENTS RELATING TO PREGNANCY

Mr. F. A. Philbrook (Halton): Mr. Speaker, I should like to ask the Minister of Transport whether he is making any progress with the problem regarding pregnant airline stewardesses and their right to work, at least on ground duty if not on flight duty, or being entitled to full financial compensation. I address this question to the Minister of Transport although it might also be of interest to the Minister of National Health and Welfare and perhaps even the Minister of Labour.

An hon. Member: Obviously, there has already been some progress.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know we are making some progress because there are fewer pregnant hostesses than there were a month ago.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Without joking, I think we can make some arrangement. We have found out that it is very difficult to have a general rule covering all these cases. We know that many of them can keep active for sometime before they have to be released.

An hon. Member: Tell that to the airline pilots.

Mr. Marchand (Langelier): There have to be judgments made in each of these cases, and with the help of the Department of National Health and Welfare I think we can solve the problem.

PUBLIC SERVICE

NURSES—REQUEST FOR REPORT ON CONTRACT NEGOTIATIONS

Mr. Cecil Smith (Churchill): Mr. Speaker, the medical service nurses and federal nurses that staff remote nursing stations and hospitals in Manitoba are extremely alarmed regarding the delay in contract negotiations. These nurses have been working without a contract now for the past three and a half months. Due to the increase that provincial nurses in Manitoba have received recently, many of these—

Mr. Speaker: Order, please. If the hon. member has a question would he put it directly.

Mr. Smith (Churchill): Mr. Speaker, I would ask the President of the Treasury Board what advice he can give me about the stage of these negotiations and when a new contract will be signed with these nurses.

Mr. Speaker: Order, please.

Mr. Smith (Churchill): Let me put my question to the President of the Treasury Board again, Mr. Speaker. The nurses working for the medical service and federal nurses working at hospitals in remote areas of Manitoba have been working without a contract for the past three and a half months. Due to the increase granted nurses working in the province of Manitoba—

Mr. Speaker: Order, please. I am sure the minister can answer the question now.

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the situation is that a conciliation board is investigating the situation and we hope to receive a report any day. If that report is acceptable to the parties we will have a contract. This is a choice the nurses have taken. If one of the parties does not accept the conciliation report we could have a strike. I hope we will not have one and that we can settle with the nurses very quickly. They should not be worried anyway because the contract will be retroactive to the date of expiration of the old contract.

* * *

SCIENCE AND TECHNOLOGY

REQUEST FOR INCREASED RESEARCH TO CREATE JOBS AND ASSURANCE NATIONAL RESEARCH COUNCIL CONDUCTS RESEARCH IN CO-OPERATION WITH INDUSTRY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, in view of the fact that Canada had a net trade deficit of almost $7 billion in the field of high technology products last year, which is three times the loss of four years ago, and there is every indication that this year's figures will be even worse, I should like to ask the Minister of Science and Technology what steps the government plans to take to increase research and development in order to create the challenging jobs presently required by Canadians?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, in general terms there has been a substantial increase, as an examination of the estimates will show, in the various incentives designed to increase Canadian activity and capacity in the field of high technology. In addition to that, we have underway a series of studies in high technology fields, for example the programs being launched by the Minister of Energy, Mines and Resources and perhaps also by the Minister of Communications in the field of satellites.

Mr. Crouse: Mr. Speaker, will the minister and his government encourage the National Research Council to conduct all its future research in co-operation with the 20 odd industrial sectors in Canada, to ensure that research and development in future is for the improvement and development of Canada for Canadians?

Mr. Drury: Mr. Speaker, this is the main thrust and purpose of what is known as the "make or buy" policy, and I think the National Research Council is actively co-operating and seeking wherever it can to contract out research rather than expand its own facilities to do it internally.

* * *

OLYMPIC GAMES

SECURITY FOR SAILING EVENTS AT KINGSTON—REQUEST FOR STATEMENT ON MEASURES AND INVOLVEMENT OF LOCAL AUTHORITIES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question relates to security at the olympic games, and I direct it to the Minister of National Defence, although he may wish to pass it on to one of his colleagues. Because no arrangements have been made to date with the local organizing committee regarding security measures for the olympic sailing events at Kingston, and because the on-shore and off-shore boundaries for these events encompass such a wide open area, will the minister say what security measures are being planned and when the local officials will be involved?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the security arrangements for the games in Montreal and the sailing events at Kingston are being moved forward in the department at the present time, but I cannot give details on this occasion.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, will the minister undertake to involve the local organizational committee at the earliest possible time so these measures can proceed much more co-operatively than they are now?

Mr. Richardson: Yes, Mr. Speaker, the local committee will be consulted.

* * *

FISHERIES

POSSIBLE CONTAMINATION OF FISH RESOURCES BY MYXOSOMA CEREBRALIS—GOVERNMENT ACTION

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I undertook to obtain some information for

the hon. member for Parry Sound-Muskoka. I can tell him that the possibility of the myxosoma cerebralis disease coming into Ontario at the moment appears to be not as serious as had been earlier indicated by press reports. However, in co-operation with the Michigan authorities and the provincial authorities, we are monitoring this very closely. We are also watching very carefully the importation of fish or fish eggs into Canada.

Mr. Darling: Mr. Speaker, I appreciate the answer to that question, but I now have a question for the Minister of Transport and I wonder if I might ask it.

Mr. Whittaker: Mr. Speaker, on a point of order, I should like to make reference to a report last Friday regarding a time when the Liberal and Conservative members from British Columbia were in caucus. The report on the television indicated that there was only one member from British Columbia in the House. I should like to point out that there is a majority of Liberal and Conservative members in the House this Friday, which is the usual situation.

Mr. Knowles (Winnipeg North Centre): Oh!

● (1200)

Mr. Clarke (Vancouver Quadra): I rise on a point of order, Mr. Speaker. For the second time this week I find myself in the position of having been assured by ministers that they would be producing answers to questions asked in the normal routine of the question period, on the following day. On Monday the Minister of Transport (Mr. Marchand) failed to respond, as he said he would, and now the Minister of Public Works (Mr. Drury) has failed to respond. He said on Wednesday he would bring his notes "tomorrow", which was yesterday, and it is already "today" and he has not brought them yet.

Mr. Speaker: Order, please.

Mr. Dick: I rise on a point of order, Mr. Speaker. I am wondering whether, through you, it could be ascertained from the government House leader whether the government has reverted to a policy of rotation, because we had no more than 50 per cent attendance by ministers at any time during the question period today. We need a better attendance record or we will not be able to get replies to our questions.

ROUTINE PROCEEDINGS

[*English*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES—TABLING OF REPRINTED BILL

Mr. Speaker: In accordance with my decision of Wednesday, April 23 this year, I wish to lay on the table of

[Mr. LeBlanc (Westmorland-Kent).]

the House a reprinted version of Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act.

May I remind hon. members that yesterday the President of the Privy Council (Mr. Sharp) stated that he hoped Bill C-44 would be called on Tuesday next. That being the case, the period for the filing of motions to amend the bill at the report stage will not expire before Monday next at six o'clock p.m.

* * *

[*Translation*]

COMMUNICATIONS

TABLING OF DOCUMENT ENTITLED "TELECOMMUNICATIONS: SOME GOVERNMENT PROPOSALS"

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, pursuant to Standing Order 41(2), I am tabling in both official languages a document entitled: *Communications: Some Federal Proposals.*

[*English*]

Mr. Paproski: On a point of order, Mr. Speaker, I would hope the Minister of Transport (Mr. Marchand) would now table the terms of reference in accordance with what he said during the question period.

Mr. Marchand (Langelier): I did not hear the question, Mr. Speaker.

Mr. Paproski: Would the minister table the terms of reference between himself and Air Canada?

Mr. Marchand (Langelier): I do not have it at the moment. As soon I have it—probably in a few minutes—I will be able to table it.

Mr. Speaker: Order, please.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the following questions will be answered today: 568, 2,135, 2,136, 2,139, and 2,165.

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

[*Text*]

POST OFFICE DEPARTMENT—PUBLICITY

Question No. 568—**Mr. Symes:**

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

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

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

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. 1972-73, $1,945,851.00; 1973-74, $2,002,732.00.

2. 1972-73

Names and Addresses	Amount	Purpose
Peter Krohn Advertising Montreal, P.Q.	$772,700.00	Postpak Postette Courrier Service Certified Mail Assured Mail Philatelic Products
Foster Advertising Montreal, P.Q.	$548,109.00	Continuing phases of Postal Code
Canadian Advertising Montreal, P.Q.	$625,042.00	Mail Early Correct Addressing Corporate Image Regional Advertising
1973–74		
Communicators Group Inc. Montreal, P.Q.	$1,254,397.00	Operational Support and Corporate Advertising Assured Mail National Program Postal Code National Program Post Office Corporate Image
Canadian Advertising Montreal, P.Q.	$513,588.00	Operational Support, Marketing and Philatelic Products Mail Early Campaign Regional Advertising Educational Advertising Stamp Sales
Peter Krohn Advertising Montreal, P.Q.	$234,747.00	Operational Support, Marketing and Philatelic Products Advertising Mail Post pak Certified Mail Courrier Service Philatelic Promotion

	Amount	Purpose
	$558,587.00	Operational Support
	6,665.00	Corporate and Educational
1973–74		
	$334,311.00	Operational Support
	183,164.00	Corporate and Educational

POST OFFICE DEPARTMENT

Question No. 2,135—Mr. Herbert:

What is the cost to the Post Office Department of franked mail?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): The value of postage revenue not collected from government free mail in 1973-74 amounted to $1,315,000.00.

POST OFFICE DEPARTMENT

Question No. 2,136—Mr. Herbert:

What percentage of postal volume comes from business and institutions and what percentage comes from individuals?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Eighty per cent of postal volume is derived from business and institutions. Twenty per cent is from householders.

POST OFFICE DEPARTMENT

Question No. 2,139—Mr. Herbert:

1. Is the Post Office Department considering the use of cluster boxes as used in the United States and, if so, are any being used on an experimental basis?

2. Has the Post Office Department considered discontinuing the rental charge for a post office box for those who do not have or are willing to give up direct delivery?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. No.

2. Yes. No change in existing policy is planned at this time.

CANADIAN BIRTH CERTIFICATES

Question No. 2,165—Mr. Brisco:

What are the reasons, if any, that a person born in Canada and residing in Canada cannot obtain a certificate of birth?

Hon. Mitchell Sharp (President of the Privy Council): This is a provincial matter as the provinces alone have jurisdiction over the issuance of birth certificates.

GOVERNMENT ORDERS

[*Translation*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Thursday, April 24, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to

provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mrs. Morin in the Chair.

[*English*]

The Assistant Deputy Chairman: When the committee rose on April 24, clause 5 was allowed to stand and the committee was studying clause 23. The hon. member for Crowfoot.

On clause 23—*Prescribing maximum.*

Mr. Horner: Madam Chairman, last evening when the question of clause 23 came up for discussion I listened to a long dissertation by the hon. member for Nanaimo-Cowichan-The Islands in which he attempted to point out that any price increase would merely go to the oil companies. He attempted to suggest that they had a good deal of money already and that it was not the profits of the oil companies in Canada about which we should be concerned because those profits would only be enhanced by a price increase and they would not spend additional money on exploration in this country.

In a speech on this general subject in the House on April 17, I said that because of the tax structure and its effect on the oil industry a price increase would not bring about any more money in the hands of the oil companies so that they could explore for more oil. It is interesting to note that there is an article in this morning's *Globe and Mail* which states, "Gulf urges no oil increase until laws revised". It goes on to say:

> Mr. McAffee said that for each dollar the price of Alberta crude oil might increase, Gulf would retain only about 1 cent.

So the argument made by the hon. member for Nanaimo-Cowichan-The Islands that profits would only increase if oil prices were allowed to increase is certainly, under today's structure, not correct. Mr. McAffee went on, according to this article, to say that an increase would probably cost an integrated company money because of today's soft market. He said that the oil companies would be blamed for the increase while, because of the tax structure, they would still have no more money to spend on exploration in Canada.

I think it is becoming very clear to all Canadians that we must be concerned about oil supply. We are the only industrial nation in the world which in the last two or three years created a climate in the oil industry which in fact turned off oil exploration. I would hope that some kind of pricing mechanism could be devised in this bill to encourage exploration. As I said last evening, I believe the minister has caused more havoc in the whole question of energy than anyone before him, and it will take a person of stature to create as much chaos in the future.

The chaos the minister has created has discouraged exploration and caused a taxation fight with the producing provinces. Now the minister asks for the ultimate authority from parliament to, in essence, price energy commodities. If the minister had a better track record, I am sure this parliament would be eager to give him the authority for which he is asking in this bill. In this morning's *Globe and Mail* we find an article headed, "Major finds needed to meet oil estimates". So, we are in need of major finds to meet and to keep up to our estimates. Certainly, this should be encouraged. The argument that if we allow the oil companies to make more profits, those profits might escape Canada and be spent on exploring for oil somewhere else, is not valid because it is within the power of this government to prohibit the outflow of money from this country if it so decides, and it can use the carrot approach which I mentioned to encourage money being spent in Canada for oil exploration.

● (1210)

Last evening the hon. member for Nanaimo-Cowichan-The Islands stated that the oil companies, because of their huge profits, have a great deal of money to put into oil exploration. We have created in this country such a degree of uncertainty in the oil and gas industries that both Canadian and multinational oil companies have left Canada: their profits have not been sufficiently rewarding to encourage them to stay. But that has been only one aspect of the problem. The security of their investment certainly has not been very good. This is why one reads reports that oil company profits have been high yet the stock market is uncertain and many Canadians have lost substantial amounts on the stock market.

One would think that if profits were high, shares and stocks would be increasing in value, not decreasing. Why have they decreased, when world prices have gone up? The uncertainty in the oil exploration industry and in the marketing climate that this government has caused has created havoc in the stock market and meant losses to thousands of Canadians across the country. Yesterday's issue of the Montreal *Gazette* contained an article in which the following words appeared:

> If big profit increases are a sign of what is called the "corporate rip-off", Canada's big integrated oil companies can be dropped from the critics' black list.
>
> It looks as if first quarter profits for the majors will be about the same as last year. And unless there is a political agreement on higher oil and gas prices, their profits for the full year may actually decline.

The article goes on to suggest the reported profits for the first quarter of this year. It states that they are no higher than they were last year. In debating this bill one cannot overemphasize the question of royalties and the need to straighten out the muddle that has been created between the producing provinces and Ottawa. As I said on April 17, the Minister of Finance would be well advised to talk to the producing provinces rather than to tour the world talking to oil producing nations. Surely we have not given up, and surely, on the question of exploration, we believe that we can find more oil in the Canadian Arctic and even in Alberta. Certainly we can encourage greater investment in the known supplies in the tar-sands, an area where extraction is very costly.

I said the following on April 17, but it bears repeating. Before an increase in price results in greater exploration, an agreement must be reached with regard to royalties and taxation. Double-taxation cannot be imposed on an industry, whatever it may be, whether agriculture, transportation, manufacturing or energy, in the hope that it will encourage expansion of that industry. It does not work that way. So the Minister of Finance must speak to the producing provinces prior to bringing in his budget and he must bring in a budget which will remove double-

taxation from the energy industry. Only if that is done can we go along with the Prime Minister's suggestion, made at the energy conference, to increase oil prices. It would be expected that the money resulting from increased prices would go into exploration for more oil, so that we would be relatively certain that after 1982 we would not run out of our known resources. I believe that more oil can be discovered in western Canada and in the Arctic. The Mackenzie River delta shows promise and we must encourage exploration there.

I hope the minister will make a statement before this bill is passed as to the policies he will be announcing under the legislation. Will he continue in this jerky manner of setting a price in July, adjusting it up or down at Christmas, and then again moving the price up or down next July? That kind of action, without rhyme or reason, does not create confidence in the energy industry. I would like to say again what I have said before, that what the minister must do under this bill if it passes—and even if it does not pass, because the industry wants some assurance from him—is to say how high Canadian oil prices will be allowed to go.

He should tell us what the price will be in relation to the world price, and when Canadian prices will be allowed to reach the maximum. If he says that they will be allowed to go up to within 80 per cent of the world price, he should tell us when he will allow them to go that high. If he wants to keep them within 50 per cent of the world price, he should tell us when that formula would be adjusted. The oil companies in Canada would then know what to expect: no matter whether the world price went up or down, our price would follow. I have said that we should accept the world price for tar sands oil. I think the minister should state that for conventional oil we should try to reach as closely as possible the world price, in a series of stages.

The Assistant Deputy Chairman: Shall clause 23 carry?

Clause agreed to.

On clause 24—*Prohibition.*

Mr. Baldwin: On clause 24(c) I should like to ask the minister a question going back to the proposition I have advanced for the minister's consideration about a provincial or federal agency or corporation acquiring crude oil, within the definition of the act, at the wellhead or at the next stage from the wellhead. The minister indicated in his reply to the hon. member for Nanaimo-Cowichan-The Islands that the price which the corporation can require need not be the prescribed price, as I understand it. The crude oil which will be acquired will be, obviously, oil for consumption within the province or outside the province of production.

Can the minister say whether such action by a Crown corporation or government agency in the acquisition of crude oil will be considered an offence under clause 24(c), which provides that no person shall acquire any quality or kind of crude oil for consumption outside its province or production, bearing in mind that the crude oil the agency acquiries will include some for consumption outside the province? Can the minister say whether, if the government agency pays for the oil a price higher than the prescribed price, it will be liable under this clause?

Mr. Macdonald (Rosedale): If there is a specific contract within a province, whatever the parties may be, as paragraph (c) says, they can acquire any quality or kind of crude oil for consumption outside the province of production. Then the limitation on price would apply. If that provision is not stipulated in the contract of acquisition, then of course the clause does not apply and the prescribed price does not apply.

● (1220)

Mr. Baldwin: Having in mind that petroleum resources are initially the property of the people of the province acting through their government, if the government of a province sees fit to take its share in kind rather than purchasing, and it acquires the property in kind to what it considers its share, worked out through a rental or a royalty agreement, is the agency then free to dispose, within that province, of the resource at a price it sees fit to charge?

Mr. Macdonald (Rosedale): The stress is on the words "within that province", and expressly by the provisions of clause 24 the answer is yes. The royalty oil taken by the province for use within the province—which, as I understand the Alberta law, is the situation—would not be affected by the clause whatsoever. It is at the point where an arrangement is made by the express consent of the parties to transfer ownership in oil for consumption outside the province that the clause applies.

Clause agreed to.

On clause 25—*Evidence required.*

Mr. Baldwin: I wonder if the minister could advise whether this clause is intended to apply to a common carrier. Is it the purpose of the clause that any common carrier of the commodity has an onus cast upon it to obtain documentary evidence as to the price otherwise there is an infraction of the clause.

Mr. Macdonald (Rosedale): Yes, Madam Chairman.

Clause agreed to.

Clauses 26 to 28 inclusive agreed to.

On clause 29—*Idem.*

Mr. Andre: Clause 29(2) gives us on this side of the House concern which is different from that which we have exhibited on other aspects of the bill. This concern arises primarily from our feeling that clause 29(2) may be in violation of the Canadian Bill of Rights. As this clause is worded, it would be in violation of, I believe, section 3 of the Canadian Bill of Rights. Clause 29(2) provides:

> Where a corporation is guilty of an offence under this division, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and is liable on conviction to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted.

It is the last phrase in particular which gives us some concern—"whether or not the corporation has been prosecuted or convicted". The immediate question from a

layman who is concerned for justice and civil liberties would be: How can this statement be reconciled with the Bill of Rights and with Canadian common law, in that a person, whether he be a corporate person or an individual, is innocent until proven guilty? This clause says that where a corporation is guilty, whether or not that corporation has been prosecuted or convicted, any officer, director or agent who has acquiesced in, participated in, assented to, authorized or directed activities related to that supposedly illegal aspect is guilty.

On April 7, the Minister of Justice reported to the House that under the provisions of the Standing Orders of the House of Commons he had examined a Senate bill, under section 3 of the Canadian Bill of Rights, which contained a clause which although not identical to clause 29(2) of this bill is quite similar. After examination it was the judgment of the Minister of Justice that the clause put into Bill S-10, an act to amend the Feeds Act, was in fact contrary to the Bill of Rights and therefore had to be disallowed. That clause provided:

> Where a corporation has been convicted of an offence under this act, the chief executive officer of the corporation shall be presumed to be guilty of an offence under subsection 10(1) unless he establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

I am surprised, yet not surprised—considering from whence the bill emanated—that reasonable Canadians would in fact acquiesce to that kind of language in the law of the land, which clearly puts the onus on the person accused to prove his innocence and is totally out of step with any of our Canadian traditions and, obviously, totally contrary to the Bill of Rights. The Minister of Justice did the right thing in disallowing it.

I ask the Minister of Energy, Mines and Resources whether he has received the judgment of the Minister of Justice in respect of clause 29(2), where a director, officer or agent of a corporation who has merely acquiesced in some activity is guilty of an offence of which the corporation is guilty whether or not the corporation has been prosecuted or convicted. I cannot understand how there can be a situation where a corporation is guilty and a corporate person is guilty without there having been a prosecution or conviction. How does one establish guilt if there has been no prosecution or conviction?

The statement that an employee of a corporation, because he in some way participated in an activity, might be presumed guilty, and on the statement that the corporation is guilty when it may not have been prosecuted and convicted, is at least bad language. I feel that I must reiterate, as a layman, that I think this clause is contrary to our traditions and the Bill of Rights. I ask the Minister of Energy, Mines and Resources if he has obtained from the Minister of Justice a legal opinion on this clause and if he can explain to the committee how a corporation could be found guilty, with no prosecution or conviction, and therefore an employee immediately found guilty as a result.

Mr. Macdonald (Rosedale): I would refer to questions raised by hon. members with respect to the Deputy Attorney General or the Attorney General of Canada sitting down and writing a long opinion-letter on a bill submitted for consideration by parliament. This bill represents the considered opinion of the legal advisers of the Crown. I do not use the term "law officers of the Crown" but, rather, "legal officers of the Crown". In their judgment, it is constitutional. The Deputy Attorney General has examined it, and in his judgment the bill does not in any sense violate the Canadian Bill of Rights; therefore it has been introduced in parliament.

● (1230)

The hon. member's second question suggests that in some way the standard onus in criminal cases has been shifted to the accused to prove that he is innocent, rather than the Crown having to prove his guilt. Of course, the onus is not shifted; it continues to rest with the Crown to prove the particular officers guilty of any of the offences set out in the bill.

The next question is, how it is possible for an officer to be guilty of an offence, and the corporation not guilty? This is related to the vicarious liability of corporations. There could be a situation where a corporation could establish, in its defence, that the officer in question was acting beyond the scope of the authority given to him by his responsibilities: for example, against specific instructions that he was to abide by the direction of parliament in this particular statute.

In those circumstances, the corporation could well establish its defence against prosecution under the statute. Under those circumstances, there might not be a prosecution but the officer in question could be found guilty in an action corresponding to the offences here but which he was not authorized to engage in by the corporation: in that sense he would have been acting beyond the scope of his authority—acting illegally—and the legal liability would be his, not that of the corporation.

Mr. Baldwin: I understand, Madam Chairman, that this question is raised in connection with the examination of bills for the purposes of the Canadian Bill of Rights Act. I should like to call the attention of the minister to the terminology of the offensive clause which the Minister of Justice filed when an amendment was brought in at the other place. It was not in the bill originally produced by the minister but was put in by the other place. I would ask the minister to put this wording side by side with the wording in clause 30, which is the clause that has to be read in conjunction with clause 29 of the bill we are considering. Section 10(1.2) of Bill S-10 reads:

> Where a corporation has been convicted of an offence under this act, the chief executive officer of the corporation shall be presumed to be guilty of an offence under subsection 10(1) unless he establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

The parallel there is too striking to be allowed to pass. Clause 30 of the bill before us reads:

> In a prosecution for an offence under this division, it is sufficient proof of the offence to show that it was committed by an employee or agent of the accused whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

Those words are nearly identical, Madam Chairman. Of course, there is obviously the difference that where there has been a conviction under Bill S-10, the Feeds Act, it is

predicated on the fact that there is a conviction of the corporation. When one reads the reasons advanced by the Minister of Justice for bringing in his declaration, in a report to this House, that the particular amendment was inconsistent with the Bill of Rights, some of the words used are of interest. A press release issued by the Minister of Justice on April 7 states as follows:

> One of the amendments reported on by the minister in the House today was designed to tighten the enforcement of the Feeds Act where offences are committed by corporations.
>
> This clause would presume the chief executive officer of a corporation to be guilty of an offence under the act where his corporation was convicted under the act.
>
> This would not apply if he established that the offence was committed without his knowledge and consent and that he exercised all due diligence to prevent its conviction.

I think the final words should have been "to prevent its commission": I think these are the operative words. We must give some attention to the fact that there is a difference in the conviction of a corporation. As I understood it, the Minister of Justice said the onus was cast upon an individual to establish by a preponderance of evidence in a criminal proceeding that the offence was committed "without his knowledge and consent and that he exercised all due diligence to prevent its commission". I suggest the parallel is too close. It may well be that if the Deputy Attorney General had his attention directed to this, he might be able to make a distinction. It seems to me, at first blush, it is too close a parallel to allow the clause to be passed at this time. The minister might wish to stand the clause in order to seek an opinion and, if so, we could consider it if we find there are good reasons for it. The words used, that a person charged with the offence must show that he "exercised all due diligence to prevent its commission" are very far reaching and we must consider them very carefully.

Mr. Macdonald (Rosedale): Madam Chairman, I have not had the advantage of seeing this particular opinion. While I am sure that the Department of Justice tries to act in a consistent fashion, I would not advance the proposition that they could not have delivered an inconsistent opinion. I suggest we might stand clause 29, and clause 30—which is related to the same subject matter—and go on to clause 31.

Mr. Orlikow: Before the clause is stood, Madam Chairman, speaking as one who is not a lawyer and may not appreciate all the fine nuances of the law, I am concerned about the differences that seem to take place in this country when we consider corporate prosecutions compared to the prosecution of others. For a whole host of other crimes such as robbery or assault, it is not unusual for the people who commit them to go to prison. I am not particularly an advocate of sending people to prison, because I do not think it helps persuade them or others not to commit crimes, but that is the system under which we live. When it comes to corporations, however, and actions relating to anti-combines law and a host of other laws, it appears that a different view is taken.

● (1240)

Under our system, a corporation is treated as a corporate person. We will see what will happen to those charged with rigging dredging bids. In the past, when a corporation has committed an offence and has been convicted by the courts, it has been fined even though it has been convicted several times. I agree that fines have become progressively larger. They ought to be larger. My hon. friend suggests that seldom have officers of a corporation convicted of breaking the law suffered the penalty of imprisonment. I think he suggested this has seldom happened, if at all. As the hon. member for Calgary Centre suggested, it is almost as if the corporate person is some kind of mythical being who can only be punished with a fine. I suggest that we apply a different set of value judgments, a different set of rules to corporate crimes, committed by corporate officers than we do to other types of crimes committed by other people.

Although I do not object to these clauses being stood, I certainly object to the inclusion in this bill of a principle which encourages courts, prosecutors and other court officials to look upon corporate crimes as different from crimes in general. I submit that officers of a corporation or of any other organization should be treated in the same way as other individuals when the law is broken. They should be subject to the same kinds of penalties whether they be fines or imprisonment. In short, they should be treated exactly as other individuals are treated who have broken the law.

Mr. Andre: Madam Chairman, I concur with the minister's suggestion to stand these clauses or to stand one of them at least. I think that if justice department lawyers look more closely at these clauses they will suggest amendments.

I want to correct an impression left by the hon. member for Winnipeg North, who said that we suggested lesser penalties should be imposed by the law on corporate officers or corporate officials than on other people. Our position is quite the contrary: we suggest that there should be identical treatment of persons who have committed a crime either while sitting behind a desk and working for a corporation or standing behind a gun in a service station.

It is a well established principle of our common law, and this principle is further enshrined in the Bill of Rights, that a person is presumed innocent until proven guilty. If the hon. member for Winnipeg North were to read clause 30, he would see that it says a person is guilty of certain offences unless he can prove his innocence. Surely he does not suggest that a person employed by a corporation should not be accorded the same protection under our common law and the Bill of Rights as is accorded to any other citizen. That is why we think this clause should be amended. Perhaps the Department of Justice will suggest an amendment.

Under our system of justice, all persons, whoever they may be, are presumed innocent until proven guilty. Although it might suit the convenience of those who seek to enforce the law—be they police officers or government officials—to have it the other way around, I do not think that we, as parliamentarians, should permit that to happen. That is why we are seeking an amendment.

Mr. Orlikow: Madam Chairman, I agree completely with the hon. member for Calgary Centre who says that it is a basic principle of our system of justice that a person is

presumed innocent until proven guilty. I support any proposal which will spell out this right in cases where the law is unclear. This right is well known to the courts and to officers of the courts. Not only am I interested in what the law says; I am interested in how the law works. I suggest that the laws of this country have not always worked in the way the hon. member for Calgary Centre suggests.

Until various provinces introduced their legal aid systems a few years ago, poor people, I think most will agree, who could not afford a lawyer were not treated in our courts in the same way as people who could afford a lawyer. The establishment of the legal aid system went a long way to ensuring fair treatment for all. Similarly, as I said earlier, some people who are convicted of certain crimes go to jail but people who have been involved in corporate crimes often have not gone to jail. I want to be sure that no provision of this bill will allow the continuation of what I consider to have been discrimination in favour of the corporation which has transgressed the law.

Mr. Baldwin: Madam Chairman, basically I think there is little to be added to what the hon. member for Winnipeg North and the hon. member for Calgary Centre have said. Let me make it clear that we do not want to do anything which would lessen the responsibility in law of officers, agents or servants of a corporation. Our position with respect to individuals who happen to be involved with a corporation which is charged with an offence is the same as our position with respect to any ordinary person charged with an offence. We do not like a provision which says a person who is charged is automatically guilty of an offence unless he can prove his innocence. We object to that principle being applied to anyone who is charged with any offence.

This is not a question of lessening the liability of a corporation. We say, first, that we do not like the way in which the onus has been turned around and, second, that there is a reasonable doubt in our minds—we are not saying we are positive—which could easily be resolved if the minister were to seek the opinion of the Deputy Minister of Justice.

Mr. Macdonald (Rosedale): Madam Chairman, I think the hon. member for Peace River has put with precision his party's position on this matter of the reverse onus. Since the matter is contained in clause 30 rather than in clause 29, perhaps we could pass clause 29, stand clause 30 and move on to clause 31. As the hon. member for Peace River suggested, it is the last four lines of clause 30 which give rise to objection, rather than the provisions of clause 29.

Mr. Andre: Madam Chairman, I would prefer both these clauses to be stood. If the minister plans to ask the Deputy Minister of Justice for his opinion, perhaps he could ask the deputy minister to look, also, at clause 29(1)(b). I concede that the most offensive aspect of these two clauses, as indicated by my colleagues from Peace River, is contained in the last four lines of clause 30 which provides for the reverse onus under which a person is presumed guilty until proven innocent. All the same, clause 29(2) presents difficulties. Apparently the minister at this point prefers not to give me a detailed explanation of clause

[Mr. Orlikow.]

29(2). I would prefer both these clauses to be stood until the Deputy Minister of Justice can give an opinion.

I remind the committee of the provisions of Standing Order 82(2) which reads:

● (1250)

> In order to give effect to the purposes and provisions of section 3 of the Canadian Bill of Rights, it is the duty of the Clerk to cause to be delivered to the Minister of Justice two copies of every bill introduced in or presented to the House of Commons, forthwith after the introduction in or presentation to the House of such bill.

I do not see it anywhere else in the Standing Orders, but I understand from those in whose opinion I have confidence that after this process it is in fact the duty of the Minister of Justice to cause these bills to be examined under section 3 of the Canadian Bill of Rights and to certify that this examination has occurred. It would be useful to the committee to have this certified copy of the bill made available, if for no other reason than to alert members of the committee, officials in the Department of Justice and the Minister of Justice that the screening system set up to ensure that the Canadian Bill of Rights is honoured is somehow not working.

In fact, the screening function was somehow missed in this case. Were it not for the diligence of a few of us examining this bill in more detail than we sometimes do with other bills—although I admit we should do it with each and every bill—this clause would have been passed and become the law of the country, in violation of another law. The onus on anyone who might have been prosecuted under this law would have been to pursue the matter right through the legal system, with all the expenses involved.

In connection with standing these two clauses—I am not sure whether the Minister of Energy, Mines and Resources is the appropriate person—the committee should be given some verification of the fact that the screening process called for under the Standing Orders of the House has in fact been carried out.

Mr. Macdonald (Rosedale): Madam Chairman, the point raised by the hon. member for Calgary Centre with regard to clause 29(2) is quite different from the point raised by the hon. member for Peace River, in respect of which he read an opinion presented to a committee and in connection with which I undertook to stand the clause. I will repeat the explanation I have already given to the hon. member for Calgary Centre. It is possible for an officer or an agent of a corporation to knowingly commit one of the offences provided by this clause. However, if he had done so entirely beyond the authority given to him by the corporation, the corporation could legitimately establish that it should not be convicted. Indeed, under those circumstances it might not even be prosecuted. However, the individual who committed the offence should, very properly, be subjected to the judgment of the courts. That is the provision of clause 29(2).

With regard to the point raised by the hon. member for Peace River with regard to clause 30, I wonder if we might pass clause 29(2), stand clause 30 and then proceed.

The Assistant Deputy Chairman: Is it agreed that clauses 29 and 30 be stood?

Mr. Macdonald (Rosedale): Madam Chairman, I suggest we pass clause 29 and stand clause 30.

The Assistant Deputy Chairman: Shall clause 29 carry?

Clause agreed to.

The Assistant Deputy Chairman: Is it agreed that clause 30 shall stand?

Some hon. Members: Agreed.

Clause 30 stands.

Clauses 31 to 33 inclusive agreed to.

On clause 34—*Definitions*

Mr. Macdonald (Rosedale): Madam Chairman, on re-examining clause 34, the judgment has been arrived at by the draftsmen that the provisions of clause 34(2) are not necessary for the purpose of the statute, that they are really extraneous to the statute and that there would be no real purpose in having them in there. Therefore, I suggest that the amendment which the Minister of Public Works has been patiently waiting to put to the committee could now be moved. The amendment reads:

That Bill C-32 be amended

(a) by renumbering subclause 34(1) on page 14 thereof as clause 34; and

(b) by striking out lines 27 to 30, inclusive, on page 14 thereof.

Mr. Drury: I so move.

Mr. Gillies: Madam Chairman, I wonder if the minister could give an explanation as to why the change is to be made.

Mr. Macdonald (Rosedale): I just did, Madam Chairman. On re-examination of the bill it was found that this particular provision would not involve anything; it would not add anything to the law. Since it was extraneous, it was determined that it should be taken out.

Mr. Gillies: Do I understand the minister to say that the Yukon Territory and Northwest Territories will come under the jurisdiction of this bill with regard to pricing policies, and so on?

Mr. Macdonald (Rosedale): Yes, Madam Chairman.

Mr. Andre: Madam Chairman, I have a question for the minister respecting the definition of "licensee." Yesterday in committee we had some discussion respecting the interaction of clauses 20 and 43. Clause 43 reads:

No licensee shall purchase any crude oil originating in an exporting province except at a price that does not exceed the prescribed price—

May I call it one o'clock, Madam Chairman?

Mr. Sharp: Madam Chairman, before calling it one o'clock I wonder if we could have permission to report progress for the purpose of reverting to the House in session so that I can table a copy of the terms of reference of the royal commission that has been appointed in connection with the investigation into Air Canada.

The Assistant Deputy Chairman: Is it agreed that I rise and report progress?

Some hon. Members: Agreed.

Progress reported.

● (1300)

ROUTINE PROCEEDINGS

[*English*]

AIR CANADA

ESTEY INQUIRY—TABLING OF TERMS OF REFERENCE

Hon. Mitchell Sharp (President of the Privy Council): I ask permission of the House to revert to motions for the purpose of tabling, in English only, a copy of the terms of reference of the royal commission under Mr. Justice Estey. I hope to be able to provide copies in French at about four o'clock this afternoon.

The Acting Speaker (Mrs. Morin): By leave, is it so agreed?

Some hon. Members: Agreed.

Mr. Paproski: Madam Speaker, may I ask the Acting Prime Minister one question before we adjourn?

Some hon. Members: Agreed.

Mr. Paproski: Can the hon. gentleman tell us whether any definite time limit has been set in connection with the work of this inquiry?

Mr. Sharp: The relevant words are as follows:

That the commissioners be authorized to submit interim reports to the governor in council from time to time and be requested to submit a final report to the governor in council with all reasonable despatch, if possible within two months.

At 1.04 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and

export trade—Mr. Macdonald (Rosedale)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: When the committee rose at one o'clock, clause 34, with an amendment proposed by the Minister of Public Works, was being considered.

Mr. Macdonald (Rosedale): Madam Chairman, I am in the hands of the committee, but I am now in a better position to respond in respect of clause 30 than I was before lunch. If the committee would revert to that clause, I can deal with it, or we can carry on with our consideration of clause 34.

The Assistant Deputy Chairman: Is it agreed that we revert to clause 30?

Mr. Baldwin: Yes.

On clause 30—*Proof of offence.*

Mr. Macdonald (Rosedale): Madam Chairman, I have had a chance to consult with the Department of Justice on the point raised by the hon. member for Peace River. As he said, the minister did have occasion to deliver a report to the House of Commons pursuant to section 3 of the Canadian Bill of Rights in respect of Bill S-10, to amend the Feeds Act. It was passed by the Senate on March 6, 1975, and returned to the House of Commons.

I think it is important in this regard to have regard to the terms of Bill S-10. It will be apparent, I suggest, that the provision we are dealing with here is not the same as the one dealt with in that bill. I think it might be useful to quote the opinion of the Minister of Justice, as undoubtedly the question will be raised again and again in our proceedings and it might be worth while to have it on the record. The Minister of Justice said:

> Properly construed and applied, the said subsection 10(1.2) could deprive persons of the right to a fair hearing in accordance with the principles of fundamental justice for the determination of their rights and obligations, in that a conviction recorded against a corporation, in proceedings against the corporation to which the chief executive officer of the corporation was not a party, would cause the chief executive officer to be presumed by law to be guilty of the offence of which the corporation was convicted, although the conviction recorded against the corporation could not subsequently be questioned by the chief executive officer in proceedings that would lead to his own conviction if he were unable to establish that the act giving rise to the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

In referring to the terms of Bill S-10—and I will take the liberty of abbreviating the terms of the clause—there is provision that where a corporation has been convicted of an offence, the chief executive officer is to be presumed to be guilty of an offence unless he has established that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission. I maintain that we have a rather different situation here. This is not a situation where once a conviction is obtained against a corporation, the officer will be presumed to be guilty unless he establishes these things. In the bill before us, we have a situation where the officer in question himself would have to be the subject of prosecution in the courts, in which case he would have the full right to make his defence.

[Mr. Sharp.]

The defences he could raise on the matter would not only be a defence against the substance of the offence, but also the defence that he did not know of the offence and took all appropriate steps to prevent it; in other words, he did not know the offence had been committed by another officer or agent of the corporation and for that reason should not be found guilty. That is, there is no presumption against him, as there was in Bill S-10, and in that respect the two provisions are different.

I take it this is the reason the Minister of Justice was able to certify to the House of Commons, with regard to Bill C-32, that all the requirements had been met under the Canadian Bill of Rights. I think there have been some discussions between the hon. member for Calgary Centre and the table and the hon. member has had an opportunity of examining the draft copy of Bill C-32 as transmitted by the Department of Justice to the Clerk of the House, bearing on the face of it the stamp that it has been examined and certified in accordance with the Bill of Rights.

On that basis I would argue that clause 30 is different from the provision referred to in Bill S-10. Clause 30 is the same as a provision that may be found in a number of other statutes—for example, the Oil and Gas Production Bill, which is chapter 0-4 of the Revised Statutes of Canada, and the Arctic Waters Pollution Prevention Act, which is chapter 2 of the 1970-71 statutes, which has a similar provision in section 20(1). In other words, the procedure has been before parliament previously. Also, this clause has been certified by the Department of Justice, pursuant to the Bill of Rights, as being not contrary to the provisions of the Bill of Rights. What I am suggesting to the committee, therefore, is that there is legal authority for the provision in clause 30, and for that reason I would seek the support of the committee.

Mr. Andre: Madam Chairman, we recognize that clause 30 is not identical to the clause in Bill S-10 which the Minister of Justice correctly ruled as being in violation of the Bill of Rights; but there are certain similarities. The minister has based his argument primarily on the fact that the provisions are not identical. We have not claimed they are identical, but that there are similarities and that the principle is similar.

● (1410)

Clause 30 of Bill C-32 reads:

> In a prosecution for an offence under this division, it is sufficient proof of the offence to show that it was committed by an employee or agent of the accused whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

So, far from that passage providing a means by which someone who might be charged under this bill could put forth an argument in his defence, it can be read—and indeed states—that circumstances are possible where an employee acting in a way that is in violation of the legislation could do this on his own without the knowledge of his superior, and on this basis the superior of the employee, presumably an officer of the company, could be charged under this act. In such case the onus would be on

the superior to prove he was innocent, because once charged he would be presumed guilty.

The onus is on this superior to prove that he exercised all due diligence in advising the employee on the facts of the law, and the employee may not be identified to him. So I submit that this may not be identical to the section in Bill S-10, but there are some similarities. From what I know of the law, it is wrong to have a law which states that a person is guilty unless he proves his innocence. The effect of this provision is that a person is guilty, once charged, unless he can prove his innocence. That is what this clause says.

Even worse than that, the clause says a person is guilty because of the activities of someone in the company subservient to him who may not even be identified. The person accused may not even have the right of cross-examination or of being informed who the individual is who broke the law. In examining the report of the Minister of Justice, it would seem that there is much similarity in terms of the rationale and reasons given by the minister in this regard. I concede to the minister that this clause and the offending clause in Bill S-10 are not identical, but I ask him point blank why he thinks it is right to have a law which states that a person is guilty of an offence unless he proves he used all due diligence in warning an employee who committed the offence, which employee may not be identified to him. I submit that is not right and proper under Canadian law. It is a law which facilitates matters for the law enforcers, but it is abhorrent under the British system of law and it is abhorrent to me. I think the wording of the clause should be amended to make it more in keeping with the traditions of this country.

Mr. Macdonald (Rosedale): Quite the contrary; under the common law, as under the corporate law, the senior officers of a corporation responsible for the conduct of a corporation could be held liable for acts of the corporation falling under their general responsibility if—and this is not an additional responsibility put on him—this defence provided by clause 30 were not in there. So the clause provides a defence in addition to the common law which but for this legislation he would not have.

Mr. Baldwin: I shall not detain the House on this, but I must take exception to the last statement of the minister that the common law really is not applicable to corporations; they are creatures of statutes and the provisions with regard to liability. I accept ungrudgingly that the minister has his legal opinion. He showed us the statement of the Minister of Justice. We may disagree with the statement of the minister, but we cannot challenge it legally in parliament; it would have to be done outside parliament. I refer to someone challenging clause 30 as being an abridgement of the Bill of Rights.

Despite the opinion of the Department of Justice, clause 30 as it reads now is quite unacceptable. To put it in the simplest terms, as I understand it, if employee A should commit an offence, employee B could be charged and all the prosecutor would have to do in respect of employee B would be to show that employee A committed the offence and then the responsibility would fall upon employee B, the one charged, to bring himself outside the scope of the clause by affirmatively establishing that the offence was committed without his knowledge or consent, and also that he exercised all due diligence in preventing its commission. That, of course, is completely unacceptable.

Without in any way contravening the right of the government to insert clauses which place responsibilities upon the servants, agents or officers of a company, this clause is not acceptable. I therefore move:

That clause 30 of Bill C-32 be amended by deleting all the words in the said clause after the word "accused" in line 24.

I hope, Madam Chairman, you can read my handwriting. At this time of day on a Friday my writing is not what it is on a Monday.

The Assistant Deputy Chairman: Is it the pleasure of the House to adopt the amendment?

Mr. Macdonald (Rosedale): I would just remind the hon. gentleman that what he is doing is taking something away from corporate officers, and that therefore his amendment is making the situation more difficult rather than easier.

The Assistant Deputy Chairman: Is it the pleasure of the committee to adopt the said motion?

● (1420)

Amendment (Mr. Baldwin) negatived: Yeas, 9; nays, 26.

The Assistant Deputy Chairman: Shall clause 30 carry?

Some hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: The committee will now proceed to clause 34 and the amendment proposed by the Minister of Public Works.

On clause 34—*Definitions.*

Mr. Andre: Before one o'clock I was discussing the relationship between the definition of "licensee" as it appears in clause 34 and the interaction with clause 20, which states that all crude oil that at one time might have come in contact with export crude oil or crude oil for sale outside the province of production is affected by this bill. I combine that with clause 43 which states that any person—which might mean corporate person, or individual or, indeed, Her Majesty in right of the provinces—must become a licensee in order to sell oil for consumption outside the province of production. When I presented these arguments earlier, the minister indicated that "licensee", rather than being a general designation, is a licensee for the purpose of the transaction; whereas looking at this definition, one finds a licensee defined as a person who is licensed under this division, "person" meaning individual or corporate person or, as a result of other provisions in the act, Her Majesty in right of the provinces. I wonder whether a more concise definition of "licensee" might not be required in support of the minister's earlier arguments.

Mr. Macdonald (Rosedale): I am not sure whether the hon. member is quoting me correctly, but rather than have doubts on the matter, let me say that it is clear that a licensee could be licensed for more than one transaction.

The Chairman: Is the amendment agreed to?

Amendment (Mr. Drury) agreed to.

Clause as amended agreed to.

On clause 35—*Proclamation.*

Mr. Baldwin: Mr. Chairman, I have a fairly lengthy amendment to this clause and I have given it to the minister. I will send a copy to the chair. First, I will read it and then explain it. I assume that after my explanation there will be ready acceptance of the amendment.

Clause 35 is the clause which brings into effect this division of the bill and it is where, by following clause 36, the government takes unto itself the right unilaterally to fix prices either when there has been an agreement which has been terminated or when a new agreement is entered into. Even if an agreement has been entered into, if in the opinion of the governor in council it is not effective, the governor in council may, by regulation, establish maximum prices unilaterally.

As we have argued—and I will repeat it with a new twist—this permits the federal government to reach into provincial jurisdiction and fix the prices not only of crude oil and gas but of derivatives, which I say cannot be done under the constitution. However, we will come to that in a minute. The amendment I move is:

That the bill be amended in clause 35 by striking out lines 1 and 2 of page 15 and substituting therefor the following:

"Commencement of Division

Proclamation

35(1) This division shall come into force on a day to be fixed by proclamation but no day shall be fixed except the House of Commons adopt the motion to concur in an order under subsection (2)

Declaring national emergency

(2) where no agreement is entered into pursuant to section 22 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the Governor in Council, is not effective or is not capable of being effective, and where a national emergency exists in fact, the Governor in Council may, by order, declare that a national emergency exists by reason of such circumstances.

As members of the committee will recall, that is the clause which permits an agreement to be entered into between the federal government and the provincial government of a producer-province which can be symbolized by order in council. That is the meat of the argument I am making with regard to jurisdiction. From thereon the clause proposed in the amendment goes on to establish a procedure which is copied almost verbatim from the procedure contained in the bill on energy allocation which was passed by the House and is now a statute. Clause 11 of that bill contains a procedure which I have added to subclauses (1) and (2) which I have read. My amendment goes on to read:

> (3) A notice of motion to concur in an order made under subsection (2) shall be laid on the table of each House of Parliament by or on behalf of a minister of the Crown within seven days after the order is made if Parliament is then sitting.

Then there is a procedure for debating in the House of Commons the particular notice of motion; it gives the House the opportunity to survey the situation and to permit the government to establish that it has made a case

[Mr. Macdonald (Rosedale).]

and to justify its action in this regard. If it does not, of course, the House can defeat the notice of motion and the proclamation then falls to the ground.

In addition, there is a provision that the matter shall be laid on the table of the Senate. Of course, apart from one or two members of the House, we do not propose to try to elaborate on what should be the procedure of the other place. That is what we propose in this regard. It seems to me that I should review briefly, with some additions, the ground upon which the amendment is based and what we propose. It is our view that the government has no right to move into a province and fix the price of a commodity in the way that is being sought in the bill before us.

We can go right back to the genesis of legislation of this kind. In 1907, the then Liberal government, under that very distinguished Canadian, Sir Wilfrid Laurier, enacted the measure referred to as the fluid export energy and electricity bill. This is chapter 16 of the statutes of 1907: an act to regulate the exportation of electric power and certain liquids and gases. In 1953 that bill led to the export-import act, chapter 27, 1953-54. That bill was brought about because in the preceding two or three years the government had lost the powers it had gained under the emergency regulations during the Second World War and was driven to obtain this legislation in order to cover its practices with regard to the regulation of trade and commerce.

● (1430)

It has been possible for the Government of Canada, acting first under the original bill, chapter 16, followed by the law passed in 1953-54, followed in due course by the law passed by the Diefenbaker government in 1962, through the licensing system, through the use of conditions attached to licences granted, to in fact regulate the price of petroleum and natural gas to consumers in Canada and also in the international market. It is very simple; it is done through the issue of licences and attaching conditions to those licences. There has been no complaint about it and it has worked effectively. There is no reason why it could not have continued to work.

With some very minor amendments to the National Energy Board Act, the minister, if necessary, would be able to obtain in constitutional fashion the capacity to fix domestic prices using legislation already in existence. We contend that it is not necessary to legislate as the minister and the government seek to do under this clause. At one time I suspected there was some conflict between the minister and the Minister of Industry, Trade and Commerce. The other legislation, with the exception of the Export and Import Permits Act, fell under the jurisdiction of the Minister of Industry, Trade and Commerce, and I can understand that the Minister of Energy, Mines and Resources felt that as petroleum and natural gas were matters falling under his control, he would have preferred his own legislation. We probably would not object to that, but we must object to the extent to which the government seeks, in an unconstitutional and improper way, to reach into a province and fix prices with regard to commodities which are covered by legislation.

If I had the time and the opportunity I would read the remarks made by Sir Wilfrid Laurier and by the then

leader of the opposition, R. L. Borden, who was later prime minister, in which they agreed and accepted the fact that the right to fix prices to the consumer throughout the country was a right achieved by the licensing system set out in this first bill, a right carried on when the Export and Import Permits Act was passed and a right, in a different form, obtained by the government in the National Energy Board Act. These rights were granted and exercised from 1962 when the energy board act was passed.

The government has been able to exercise this proper constitutional responsibility; there is no question about that and I do not think it has ever been challenged. Because of that, and the powers the government seeks in this bill, we must exercise our responsibility as an opposition, challenge the government and put to this committee and this House the opportunity to have the bill dry-cleaned so that we can expunge from it those things which are not right or constitutional. If we fail to do that, I do not think we are exercising our duty as an opposition.

Mr. Macdonald (Rosedale): Mr. Chairman, as the hon. member just indicated, this amendment supports the constitutional interpretation the hon. gentleman tabled with regard to the oil and natural gas business in Canada. The wider proposition which has been put, to the effect that the federal government has no authority over interprovincial or international trade except in the case of a national emergency, is totally mistaken in my opinion, and I say so for reasons I have cited in the past. On that basis, we do not accept the amendment.

The Chairman: The minister gave me the impression that he was rising to speak to a point of order in regard to the acceptability of the amendment. I hesitate to put the amendment to the committee at this time. It has such important implications, although I would listen to argument as to its acceptability, that my first reaction is that in its present form the amendment seeks to bring about a new legislative procedure. I feel that it would be going beyond the power of our committee to move in that direction on an amendment which, to my mind, seems to go far beyond clause 35 which it proposes to amend. I invite the comments of hon. members if they wish to enlighten the Chair at this time.

Mr. Baldwin: Mr. Chairman, I think there is a great deal being made of this amendment. The gist of the amendment is very simple. Clause 35 seeks to fix the time when the proclamation comes into effect. Clause 35 provides:

> This division shall come into force on a day to be fixed by proclamation.

This amendment only seeks to define, with more particularity, what day that shall be. There is no question of constitutionality arising on this amendment. We say just what the government said on clause 11. Because it had some doubts as to its constitutional position, the government wanted the right to submit to the House any declaration of national emergency. But this is simply a mechanical matter. All I am saying is that instead of the bill coming into effect on a day to be fixed by proclamation, and leaving it in those simple terms, there should be a day fixed by proclamation, but this is the way the day is fixed: then I outline a fairly complicated procedure by which that day is established. It does bring into existence proceedings in this House to establish that date.

I cannot see how, in the name of heaven, one can say that that is provoking a constitutional argument. Under certain conditions, the proclamation should be made: once the proclamation is made, the government must bring it into the House and into the Senate and it can be discussed. If Your Honour will refer to subclause (1), it reads:

● (1440)

> This division shall come into force on a day to be fixed by proclamation but no day shall be so fixed except the House of Commons adopt a motion to concur in an order made under subsection (2).

From there on, all we do is establish the mechanics of how that day is fixed. I suggest we are restricted to a very, very narrow interpretation under an amendment to a clause in a bill where the recommendation is as follows:

> His Excellency the Administrator has recommended to the House of Commons the present measure respecting the administration of interprovincial, export and import trade—

If, in the royal recommendation, there had been the precise mechanics by which the proclamation was to come into effect, then I might have been out of order; but it is left to the government to bring in the royal recommendation which simply refers to the present measure. With the greatest respect, I would caution the Chair that if we are restricted to the kind of amendments which the Chair would seem to envisage, it would leave members of the House almost no opportunity to offer amendments when we want to develop a position such as we are trying to take with regard to this particular clause. We would in effect be restricted to voting for or against. I suggest that is too narrow a view on such an important measure, and the Chair should not restrict this committee in considering what its position should be on the measure. I therefore ask Your Honour to review the situation.

The Chairman: The hon. member must keep in mind the responsibility of the Chair. It is not for the Chair to guide hon. members as to the possibilities in moving amendments to legislation before us at this stage of our legislative process. The Chair has to try to apply the rules of the House of Commons and at the same time see that the action of the committee abides by the long established practices and rules of the House.

To my mind, the hon. member's amendment seems to be substituting this House for parliament whereby the coming into force of the legislation would be subject to a resolution of the House. At the same time, the legislation could become inoperative if one of the parties involved refused agreement. That is the point which is not clear to me and I have some doubt as to its effect. If the hon. member can enlighten the Chair on the implications and effects of subclause (2) of the amendment, the Chair might have some grounds for accepting it. At this time I have great difficulty with it.

Mr. Baldwin: Mr. Chairman, it is my recollection that this is precisely what the government did on the energy allocation bill. The minister can correct me if I am wrong. There was some discussion about the bill in committee and then the minister and I got together and considered certain amendments to be put in the House. It is my recollec-

tion that at report stage in the House the minister brought in amendments which were along the same lines. In fact, the amendment I have drawn up is, with the exception of a few words, precisely the same as the amendment the minister brought in on the energy allocation bill. I think it was the minister's decision that it could not be done in committee, so it was done in the House: one of his colleagues moved the amendment.

Mr. Macdonald (Rosedale): Mr. Chairman, this is the first time in the eight years we have been dealing with these matters that the hon. member for Peace River has agreed with me on anything. I am quite unprepared to respond on the question of procedure, however. Certainly, amendments were made to terminology at that time, but I cannot recall how they compare with this one. I think I would have to leave it to the Chair to decide, as I have no advice to offer on procedure at this time.

Mr. Baldwin: Mr. Chairman, the minister at least has not opposed me, which is the first time this has happened in eight years. Possibly we might take some time to review this. I think I would be able to find the *Hansard* which would affirm that an amendment along the lines of this one was brought in by the government. Your Honour has not ruled that this amendment is in order and it is not before the committee. One of my colleagues has another amendment to the same clause, which he intended to move in the unlikely event that this one was not accepted. While we review the likelihood of this happening, perhaps we could entertain the amendment to be offered by the hon. member for Don Valley.

The Chairman: Of course, I can let it stand but this might present a difficulty. If we stand the amendment moved by the hon. member for Peace River, and if by any chance the second amendment were accepted by the committee, that would have the effect of eliminating the first proposition.

Mr. Baldwin: I would be perfectly willing to accept the elimination in that case, Mr. Chairman.

Mr. Gillies: Mr. Chairman, I move:

That clause 35 of the bill be amended by striking out lines 1 and 2 on page 15 and substituting therefor the following:

"35. This division shall come into force on a day to be fixed by proclamation but any such proclamation shall be subject to affirmative resolution of parliament.

The reasons for this amendment are much the same as those advanced for the amendment proposed by the hon. member for Peace River. The argument we have made constantly and continuously with respect to this legislation is that we believe the government alone should not have the right or the power to put this division into effect. We have argued as strongly and as constantly as we can that this is a joint proposition between the provinces and the federal government, but this argument has been rejected by the minister over and over again.

We now believe, as the very least proposition, that if this division is to come into effect it should only be proclaimed by resolution of parliament. I hope the minister will accept this amendment and indicate that the government is willing to discuss a very complicated situation, one which can and will bring forth great feelings of concern across the country. It could even bring about division in the country or exacerbate division. If there is a procedure by which some of these problems can be alleviated and yet not subtract from what the minister wants to do in this legislation, I hope he will see fit to support my amendment.

● (1450)

I think it is unnecessary to restate the arguments put forward in this debate. The minister knows how strongly the members of my party feel about this issue and how strongly the various regions of this country feel about it. Surely it would be only wise to accept the amendment. Surely that would make sense. Acceptance would add to one's belief that we can govern this country with conciliation, not confrontation and that we can work out solutions to difficult problems in a positive fashion.

If the government supported the amendment it would make possible discussion before any new price is put into effect. It would ease some of the strain that has always been evident in this sort of situation. It would lessen the divisions throughout this country which this sort of legislation is bound to bring about and which have been created in the past. We should be operating more effectively.

Further, by so doing, the government would involve parliament in the consideration of something which affects everyone in this country significantly and importantly. The government would lose little by accepting the amendment but the country would gain much. I hope that parliament will be involved in making a decision which will affect all Canadians in a variety of ways. We should make sure that parliament is involved in that sort of decision. I think that as the coming into force of this legislation will depend on compromise, and as that sort of decision may not be reached in the normal course, there is every reason to involve parliament in the matter.

We think this amendment is important, significant and will add to the willingness of people across our country to accept this bill. We hope the minister will see fit to accept the amendment.

The Chairman: I might say that the Chair is ready to put this amendment. Of course, hon. members may feel that it tends to do what the previous amendment tried to do. However, to my mind the amendment we are discussing is more relevant to clause 35 of the bill. At the same time, it does not, to my mind, affect the legislative process, as the other amendment would do that. That amendment, if accepted, might delay proclamation on the legislation. I am therefore ready to put the amendment at this time. The hon. member for Don Valley moves:

That clause 35 of the bill be amended by striking out lines 1 and 2 on page 15 and substituting therefor the following:

"35. This division shall come into force on a day to be fixed by proclamation but any such proclamation shall be subject to affirmative resolution of parliament.

Mr. Woolliams: Mr. Chairman, may I ask for clarification of your ruling. I take it that you have now accepted the second amendment proposed to clause 35.

The Chairman: Yes.

Mr. Woolliams: I am not supposed to refer to your ruling, but I congratulate you, sir. The amendment merely seeks to change the decision which the cabinet would need to make: we want to make sure that parliament makes the decision, and in that sense it is a safeguard. May I say something about the amendment, its relationship to clause 22 which has already been passed and to clause 36. Am I in order in speaking on clause 36? I wish to speak on that clause; my argument will be germane to this amendment. I should like to ask, sir, whether I may talk on clause 36 as you have accepted the second amendment to clause 35.

The Chairman: The hon. member is asking the Chair to rule on something he has not yet said. That is difficult. The hon. member may refer to clause 36 as it relates to clause 35. If the Chair feels the hon. member is going beyond the latitude permitted, I shall caution him. I think the hon. member can give it a try. I do not think there will be much difficulty.

Mr. Woolliams: Mr. Chairman, first may I ask if the minister is ready to accept the second proposed amendment. I suggest that his acceptance would expedite passage of the bill. The minister knows that in the debate on the allocation bill he himself moved a similar amendment. If he will now accept this amendment to this bill, an amendment which will apply in the field of price-setting by the federal government when there is no agreement between the provinces and the federal government, I suggest passage of the bill will be expedited. Debate on the bill has been going on for some time now.

Mr. Macdonald (Rosedale): I agree with the hon. gentleman; debate on this bill has been going on for some time. I am interested in the hon. member's comments about expediting passage. I take it that the converse of his argument is this: if I do not accept the amendment, then I can expect prolonged debate. It seems to me that the hon. gentleman has just provided the best reason why the government should not accept the affirmative resolution procedure. The affirmative resolution procedure would mean that the operation of the law to restrain price for the protection of the broader Canadian community could not take effect until this House and the other place had acted affirmatively to approve the proclamation.

That would mean this: if the hon. gentleman's political friends in Alberta were to decide it was in their interest to go for a price which in the judgment of the Government of Canada was not a fair price, or a price which we felt would not be in the interests of the economy of the country to impose, and if the hon. gentleman's friends insisted on that price, there would be no way for the national government to take action to protect consumers nationally until this House had debated the proposal. The present bill has been before this House for about one year now. Off and on, we have debated it since the autumn. I cannot say how many days of debate there have been altogether on the bill.

This morning the hon. member for Crowfoot suggested it could take us a long time to get this bill through. I therefore ask myself this question. In the event we feel that it would be prejudicial to Canadian consumers to have a price increase go into effect, what assurance can we have that the hon. gentleman and his friends will not do this again; that they will not delay, as they have so far, for month after month? As I say, the present measure has been before parliament for 12 months.

Mr. Woolliams: Mr. Chairman, nobody on either side of the House can say I delayed this legislation. I think it is important legislation and an important principle is involved. It affects not only the setting of energy prices but the setting of the price of other commodities. The minister may have a valid point. I think we always try to see each other's points of view. I suggest that if the proclamation must be approved by the House, debate could be limited. Of course, I cannot speak for my colleagues but I am sure, as they are reasonable men, they would go along with a time limit on debate in the House of Commons. If they agree, I suggest that the minister's argument falls flat because there is nothing about which he need be concerned. I suggest debate could be limited to two days.

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member made some reference to an amendment, similar to the one proposed, being moved in the debate on the emergency supplies allocation bill. At that time a negative resolution had been included in the bill. What the hon. member for Don Valley would do is put in there that the intervention would not be successful without an affirmative action being taken by this chamber. What assurance can we have that there will not be a repetition of the experience which we have already had with this bill, namely, a prolonged debate? That is one of the things that might be considered in this regard if we think the government should have the responsibility of protecting the consumers in Canada.

● (1500)

If hon. members are interested in a parliamentary occasion we might look at something like the provisions of Section 87(4) of the National Energy Board Act, or perhaps even the provisions of Section 11 of the bill I just referred to with regard to a negative resolution. I am not saying that would necessarily be acceptable, but we might consider something along this line. An affirmative resolution of this kind, which could be a continuing block on the action that might be taken in this regard, would be against the interests of consumers in Canada. What could well happen is that this kind of decision might have to be made at a time when parliament is not sitting. In that case there would be no way the government could, by executive act, follow whatever time limit the hon. member suggests.

I am not agreeable to the amendment as put. I would be prepared to consider the possibility of a negative resolution of the kind that has been adopted elsewhere in our statutes. My suggestion might be that while we reflect on that particular proposal, we let this clause stand for the moment and move on to some other clauses of the bill.

Mr. Woolliams: Mr. Chairman, as I said yesterday, I would like to pour a little oil on troubled water. If we limit the time to a two-day debate, surely that ends the minister's argument. The minister says that parliament might not be sitting. These economic trends—and I will have something to say about them in a few moments—do not happen overnight. There is a time lapse. If parliament is

adjourned for July and August, the minister would have known about the trends since May or June. It does not become an emergency. Even if an emergency did occur, it would not be the first time parliament was recalled. For the past few years with this government we have been recalled pretty well every year to come to grips with some problem between management and labour. We end strikes as though we were an arbitration board.

If we put on a time limit of two days' debate you have that protection valve. Parliament has two days in which to express itself. Consumers could read in the newspapers, hear over the radio, or see on television whether there was a crisis. We saw the government implement the War Measures Act. We never did get all the facts, and there was a resolution that died on the order paper, but we know today that there probably never was a crisis.

This party is not only concerned about the price of crude petroleum and its products, but also about the price of other products. We are establishing a dangerous precedent. According to clauses 46, 21 and 22, if you do not have an agreement with the provinces, the federal government can come along with a big club and set the price. What kind of conference can you have if the provinces sit down with the federal government, the Prime Minister, and the Minister of Energy, Mines and Resources, when the government has clause 36 up its sleeve? Cabinet can make a proclamation and, whether the provinces agree or not, the government will just run slip-shod over the whole thing. How can you have any consensus or meaningful conference with that kind of legislation? That is the point.

I ask the minister to be reasonable. We are being reasonable this afternoon. I ask him to agree to this and set two days. We will then expedite this legislation which the minister thinks he needs, and which I think the country may need in the future.

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member talks about a conference not being meaningful if one party can in effect take this action and put up the price. That is the kind of situation we now have. We have been operating under that kind of threat for the past 18 months to two years with regard to pricing in Canada. For example, the Premier of Alberta said, "No more gas for our consuming provinces in this country unless I get the price I want". That is the kind of threatening situation under which we have been operating. It is on the basis of that we have come to parliament to get this kind of authority.

I again go back to my proposition. The hon. member is really arguing for the provincial veto. I am saying on the contrary that the ultimate responsibility on a national issue of this kind should be taken by the national parliament.

Mr. Gillies: By the government or parliament?

Mr. Macdonald (Rosedale): By the government under legislation passed by this parliament. We are prepared to consider other procedures. The amendment put by the hon. member for Don Valley is not acceptable. If hon. members would like to stand the question, we are prepared to consider that. If they would like to put this to a question now, we are equally prepared to have a decision on it.

[Mr. Woolliams.]

Mr. Woolliams: Mr. Chairman, I wish to reply to the minister. He talks about arguing a provincial veto. I am not arguing for any provincial veto. I am not defending any provincial government. We are dealing with federal legislation. I say to the minister that setting the price where there is no agreement cannot be approved unless it is brought before parliament and we have two days debate on it. Surely the minister can see that is a safeguard on a government running slipshold over parliament and the people of Canada. I am not just talking about Liberal governments. Any government is capable of doing that. The minister knows that.

We are simply asking for something reasonable. The minister wants to get this legislation through. This afternoon we are handing it to him on a platter. The minister seems to have the mental makeup that he cannot say yes. I say the minister should listen to one particular song from the show "Oklahoma!". I say we are not arguing for a veto. I ask the minister to give consideration to this, say yes, and let's get on with the job.

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder if the hon. member for Calgary North realizes he would have to amend his colleague's proposition in this regard. Is he moving a subamendment?

Mr. Woolliams: My colleague would be willing to do that. We can do this by consent. We on this side agree. I think the minister's colleagues want to agree with it. It is only the minister who is saying no. Will the minister agree to the two days if they are included in that amendment? If he agrees to that, we will get on with the job.

Mr. Macdonald (Rosedale): Mr. Chairman, for the reasons I have indicated I do not think the country should be held up in this way. I would be prepared to consider another procedure, but not that one.

Mr. Schumacher: Mr. Chairman, the minister could very well have listened to the suggestion of the hon. member for Calgary North. I feel the hon. member for Calgary North is being a bit generous today. In fact, I am happy his offer was not taken up and I do not have to feel bound by it.

The attitude of the minister indicates how careful we should be in giving to him and his government this very powerful tool to interfere with the constitution of the country. The hon. member for Calgary North stated he was not arguing the provincial side. I suggest this party is not doing that. We are arguing the constitutional side of this question which is much more fundamental than any particular province or part of the country. If the British North America Act is going to be abrogated by Bill C-32, a certain amount of consideration should be given to the consequence of this legislation.

● (1510)

I personally feel that the bill when passed—and no doubt it will be passed—will be found to be unconstitutional, and that other arrangements will have to be made. The basic premise, at least of division I, is that the federal government will exercise leadership in bringing the provinces together to agree on a price for oil and natural gas. This is a proper function for the federal government to

exercise. But I do not think it is a proper function for the federal government to act like big daddy by clubbing provinces into submission.

At the first ministers' conference the federal government appeared to be saying there should be a price increase. The Premier of Ontario said there could be no price increase. It would seem to me that if this legislation had already been passed, the interests of Ontario as expressed by its premier would certainly have been adversely affected since the producing provinces and the federal government could have imposed a price unilaterally on the largest consuming province. So it could work both ways.

As it happens, the minister only mentions the consumers; he never at any time mentions the interests of the producers or the importance of security of supply of petroleum products to the country, a subject which should be of great concern to any hon. member who is called Minister of Energy, Mines and Resources.

At any rate we are considering how we should rewrite that part of our constitution which deals with the ownership and sale of our natural resources. Though the legislation before us deals with oil and gas we can readily think of other products in various regions of the country in which the federal government would be equally interested. I am amazed by the attitude of the minister when he says he needs a proclamation available at the snap of his fingers. Surely the basis on which the bill is presented envisages a period of negotiation between the federal government and the other parties which are interested in the price of oil and gas. This is vital to the interests of the consuming provinces as well as to those of the producing provinces. If there is to be any degree of meaningful negotiation between the parties, this process will take some time. If there is any validity to Division I, time will surely not be an important factor.

Consider the situation in which the minister now finds himself. The hon. gentleman says he has been suffering for the last 18 months because this legislation has not been passed. I cannot see how the people of Canada as a whole have suffered, though possibly the people of my province have suffered to the extent that by reason of the policies followed by the government they have contributed two or three billion dollars over the last couple of years toward the welfare of the rest of the country. I do not see how the minister could say he had suffered in this situation.

It is clear that the owners and consumers of energy resources have acted in the spirit of confederation, and acted accordingly without a club hanging over their heads. This, to my mind, is the way in which things should proceed. However, the government believes it has to rewrite the constitution, leaving the owners of the resources with no say in the matter.

I believe my hon. friend from Calgary North has shown himself to be in a very generous and expansive mood this afternoon; it is a serious mistake on the part of the minister not to take him up on his offer. What are two days of debate anyway? What point of view can one get across in Canada in two days? But it does allow something to be said about the relative merits of the arguments, and it will oblige the government to offer some justification for making the proclamation. It is only reasonable that the minister should accept the amendment as proposed and as further amended in an unofficial way by the hon. member for Calgary North. It does not say much for the bona fides of the government and its respect for the idea of co-operative federalism if the minister continues to ignore these proposals. Division will not be used if the government is just given a loaded gun in Division II to use in any way it likes.

We have been talking for the most part about actions which are adverse to the producers of the resources. In different circumstances this weapon could be used to the detriment of the consumers of Canada since in terms of population there are a great many more consumers than producers. Serious consideration should be given to the matter before this clause is approved. The merits of the amendment should be carefully weighed. The matter should not be dealt with in too great a hurry.

Mr. Macdonald (Rosedale): I wonder if I could put on record a conversation between the hon. member for Peace River and myself? Since the hon. member for Calgary North did not put his suggestion in precise terms it might be useful to look at an appropriate form of words in this regard and, in order to do so, we might stand not only this clause but clause 36, to which several hon. members have put down amendments.

Mr. Woolliams: Thank you very much.

Mr. Baldwin: The minister seems to accept that there might be some way in which parliament might intervene between the beginning of the situation envisaged by this clause and the time it came into effect. It is a matter of how this is done and the length of time involved, so I think we might stand these two clauses.

The Chairman: Is it agreed that clauses 35 and 36 be allowed to stand?

Some hon. Members: Agreed.

Clauses 35 and 36 stand.

Clauses 37 to 40 inclusive agreed to.

● (1520)

Clause 41 agreed to.

An hon. Member: On division.

Clause 42 agreed to.

An hon. Member: On division.

On clause 43—*Purchase price.*

Mr. Macdonald (Rosedale): Mr. Chairman, I had an amendment which was circulated to hon. members, and I have a second amendment which I will circulate that arises from the remarks made yesterday by the hon. member for Calgary Centre. The first amendment is:

That Bill C-32 be amended by striking out lines 38 and 39 on page 17 thereof and by substituting therefor the following:

"the purchase is made"

The effect of the amendment would be to delete the final phrase of the subclause, and by so doing we would hope to remove an area fertile for ambiguity. The sub-

clause prohibits certain purchase transactions except at a price that does not exceed the prescribed price at the time the purchase is made. The original text allowed an alternative "or the contract to purchase" to be entered into. These two transactions are to be distinguished both as to substance and as to time, and could allow of different "prescribed prices". With the amendment the subclause looks only to the effective date of the purchase, and so removes the ambiguity.

The Minister of State for Urban Affairs, with his usual perspicacity, has detected that shortcoming and has insisted that he might have the opportunity of moving this amendment.

Mr. Danson: I so move.

The Chairman: The minister has given notice of three amendments.

Mr. Macdonald (Rosedale): I could put the three, if you like, but I thought I should put them seriatim.

Amendment (Mr. Danson) agreed to.

Mr. Macdonald (Rosedale): Mr. Chairman, the object of the next amendment and the rationale are exactly the same as those in the one to 43(1), except that in the former the subject is "purchase" and here it is "sale". So the amendment is:

That Bill C-32 be amended by striking out lines 43 and 44 on page 17 thereof and by substituting therefor the following:

"therefor at the time the sale is made"

The Minister of State for Urban Affairs, I am sure, would love to propose that one.

Mr. Danson: I so move.

Amendment (Mr. Danson) agreed to.

Mr. Macdonald (Rosedale): Mr. Chairman, the Minister of State for Urban Affairs was also forcibly struck by the argument of the hon. member for Calgary Centre yesterday, particularly in making certain that this does not deal with intraprovincial transactions. I therefore understand he would like to move:

That Bill C-32 be amended by adding immediately after line 44 on page 17 thereof the following:

"(3) This section does not apply in respect of any purchase or sale of crude oil originating in an exporting province when the crude oil is being purchased or sold by a licensee for consumption in that province."

Mr. Danson: I so move.

Mr. Baldwin: Mr. Chairman, I wonder whether the minister is prepared now to move some amendments bringing some of the provinces into this.

Amendment (Mr. Danson) agreed to.

Clause 43, as amended, agreed to.

On Clause 44—*Evidence required.*

Mr. Macdonald (Rosedale): Mr. Chairman, upon examination of the wording of Clause 44 it was suggested to the government by the National Energy Board that the wording was too narrow. An amendment is suggested that would require that either the sender or the recipient of the

[Mr. Macdonald (Rosedale).]

oil be a licensee under the bill. In the original words the pipeline companies had some difficulty in identifying at any time what oil was the property of a given licensee since the accounting and apportionment procedures take some time.

It has also been suggested that subclause (2) of Clause 44 be amended. The amendment here would remove the requirement on the pipeline companies to keep records, for example in respect of prices, although they do remain liable under Clause 40(c) not to move any oil unless a licensee is a party to a transaction. The present amendment is intended to remove from the pipeline companies the requirement to keep records of prices in contracts to which they are not parties; that is, contracts for purchase and sale of oil. All that the pipeline companies do is move the oil for a fee, and it is their position that they never have or may never have access to information on prices. They would therefore not be able to comply with the original text.

The amendment suggested is as follows:

That Bill C-32 be amended

(a) by striking out lines 7 and 8 on page 18 thereof and by substituting therefor the following:

"the movement or delivery of the crude oil out of"

(b) by striking out lines 12 and 13 on page 18 thereof and by substituting therefor the following:

"engages in a transaction described in paragraphs (a), (b), (d) or (e) of Section 40 shall keep records and books of"

Mr. Danson: I so move.

Amendment (Mr. Danson) agreed to.

Clause 44, as amended, agreed to.

Clauses 45 and 46 agreed to.

● (1530)

On clause 47—*Definitions.*

Mr. Macdonald (Rosedale): Mr. Chairman, this is similar for natural gas to the definition of "consumption" used in clause 19 for oil. The definition is necessary because there is a reference to consumption in a later clause, clause 53. For this reason I suggest that my colleague might like to move the following amendment:

That Bill C-32 be amended

(a) by adding thereto, immediately after line 27 on page 19 thereof, the following definition:

"consumption" means, in relation to gas, the action of using it as a fuel or energy source or consuming it in the manufacture of products of trade and commerce."

Then there is a second part of the amendment which would read as follows:

(b) by striking out lines 30 to 32, inclusive, on page 19 thereof and substituting therefor the following:

"Under this Part for that gas on or for delivery in any area or zone in Canada and outside its province of production or at any point on the international boundary of Canada;"

This amendment does two things. It relates the definition to the price prescribed for gas "on or for" delivery. The words "or for" are necessary because although in the normal case gas pipelines are owners of the gas which they transport, there are exceptions to these rules; sometimes the gas pipelines are carriers, not owners, just as in the

case of oil pipelines. In certain cases gas is sold within a producer province to a utility serving a consumer province. The Saskatchewan Power Commission is an example. That utility takes title to the gas in the producer province, thereafter having it transported by the pipeline company to the consumer province. Another example is that of the greater Winnipeg Gas Company which buys Alberta gas in Alberta and has it transported by Alberta Gas Trunk Line to Empress and by TransCanada Pipelines to Winnipeg. Under the original definition this transaction would not have been regulated.

A second aspect of the amendment is that the area or zone in Canada is specifically related to those outside the province of production, thus making it clear that it is interprovincial trade which is being regulated.

The third part of the amendment to this clause is:

(c) by striking out lines 34 and 35 on page 19 thereof and substituting therefor the following:

"quality of gas,"

The amendment in effect removes some words which are irrelevant. The definition of "price" is not meant to be the same as "prescribed price", and the deletion of the words now removed avoids a possible confusion.

At this point perhaps I should ask my colleague, the President of the Privy Council, to move this amendment:

Mr. Sharp moved:

That Bill C-32 be amended

(a) by adding thereto, immediately after line 27 on page 19 thereof, the following definition:

" "consumption" means, in relation to gas, the action of using it as a fuel or energy source or consuming it in the manufacture of products of trade and commerce;"

(b) by striking out lines 30 to 32, inclusive, on page 19 thereof and substituting therefor the following:

"under this Part for that gas on or for delivery in any area or zone in Canada and outside its province of production or at any point on the international boundary of Canada;" and

(c) by striking out lines 34 and 35 on page 19 thereof and substituting therefor the following:

"quantity of gas;"

The Deputy Chairman: Shall the amendment carry?

Amendment (Mr. Sharp) agreed to.

The Deputy Chairman: Shall clause 47, as amended, carry?

Some hon. Members: Agreed.

Clause 47, as amended, agreed to.

Clause 48 agreed to.

On clause 49—*Purpose.*

Mr. Gillies: Mr. Chairman, I should like to move an amendment to clause 49.

I move:

That clause 49 on page 20 be amended by deleting line 25 and substituting therefor the following:

"Prices of alternative fuels in Canada, in co-operation at all times with the provinces of production which, in the interests and for the protection of consumers in other provinces, has foregone to the degree necessary to this purpose its constitutional autonomy over gas as a natural resource."

The purpose of this amendment is precisely the same as that of the amendment moved earlier in respect of oil. I need not repeat the arguments made at that particular time. The point is that we believe the pricing of these natural resources should be done by the federal and provincial governments working in co-operation and consultation, rather than having something imposed by the federal government. The arguments have been made. I would hope the minister would accept our amendment, although I am not very sure that he will.

The Deputy Chairman: Shall the amendment carry?

Mr. Macdonald (Rosedale): No.

Amendment (Mr. Gillies) negatived on division: Yeas, 14; nays, 30.

Mr. Macdonald (Rosedale): At this same point, with regard to oil may I say at the suggestion of the hon. member for Calgary Centre that certain wording has been added to the bill. I think it might be desirable to move an amendment in this regard, and perhaps the President of the Privy Council would do so.

Mr. Sharp moved:

That Bill C-32 be amended by striking out lines 21 to 25 on page 20 thereof and by substituting therefor the following:

"Producers in Canada;

(c) to protect consumers in Canada from instability of prices for gas and to preserve a reasonable balance between the prices of alternative fuels in Canada; and

(d) to encourage the discovery, development and production of a supply of gas adequate to the self-sufficiency of Canada."

● (1540)

Amendment (Mr. Sharp) agreed to.

Clause 49, as amended, agreed to.

Clause 50 agreed to.

On clause 51—*Prescribing prices.*

Mr. Macdonald (Rosedale): The Minister of Public Works has inspired another amendment, this time to clause 51. He will move:

That Bill C-32 be amended by striking out lines 1 to 4, inclusive, on page 21 thereof and by substituting therefor the following:

"by regulation, prescribe prices at which the various kinds of gas to which this Part applies that are produced, extracted, recovered or manufactured in that province are to be sold on or for delivery in any areas or zones in Canada and outside that province or at any points on the international boundary of Canada".

This amendment does for clause 51(1) what the amendment to the definition of prescribed price does in clause 47, that is, it introduces the concept "or for deliveries" and two words to define the area of delivery as being outside the province of production, thus ensuring that interprovincial trade is regulated and not intraprovincial. The province stated in the previous amendment is the province of the pipeline company.

Mr. Drury: I so move.

Amendment (Mr. Drury) agreed to.

Clause 51, as amended, agreed to.

Oil and Petroleum

On clause 52—*Where no price agreement effective.*

Mr. Woolliams: Mr. Chairman, I think that Clause 52 should stand because the same amendment which we applied to crude petroleum should apply to natural gas. Clause 53 would similarly be affected.

Mr. Macdonald (Rosedale): I accept the general proposition of the hon. member for Calgary North but I would point out that we have an amendment to clause 52 which has been previously circulated. Again, it is the Minister of Public Works who will move:

That Bill C-32 be amended by striking out lines 31 to 34, inclusive, on page 21 thereof and by substituting therefor the following:

"at which the various kinds of gas to which this part applies that are produced, extracted, recovered or manufactured in that province are to be sold on or for delivery in any areas or zones in Canada and outside that province or at any points on the international boundary of Canada."

I agree that, subject to the adoption of that amendment, we might stand the clause.

Mr. Drury: I so move.

Amendment (Mr. Drury) agreed to.

The Chairman: Is it agreed that the clause as amended be stood?

Some hon. Members: Agreed.

Clause 52, as amended, stands.

On clause 53—*Prohibition.*

Mr. Woolliams: We ask that Clause 53 be stood also.

Mr. Macdonald (Rosedale): I have a number of amendments to be moved to that clause. The first is as follows:

● (1550)

That Bill C-32 be amended

(a) by striking out lines 38 to 41, inclusive, on page 21 thereof and by substituting therefor the following:

"(a) move any gas outside its province of production for consumption elsewhere unless the price paid to acquire that gas is a price approved by special or general orders of the Board;"

and

(b) by striking out lines 44 and 45 on page 21 thereof and by substituting therefor the following:

"side that province unless the price paid therefor is approved by the Board; or"

Mr. Drury: I so move.

The Chairman: Shall the amendment carry?

Amendment (Mr. Drury) agreed to.

[*Translation*]

Mr. Macdonald (Rosedale): Mr. Chairman, I have before me an amendment also moved by the Minister of Public Works (Mr. Drury):

That Bill C-32 be amended by striking out lines 5 to 8 on page 22 and substituting therefor the following:

"(2) Paragraph (1)(c) does not apply in respect of a sale of gas in a province for consumption therein if the gas was not purchased from"

[Mr. Drury.]

[*English*]

Mr. Drury: I so move.

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Drury) agreed to.

The Chairman: Shall clause 53, as amended, carry?

Mr. Macdonald (Rosedale): I think there is agreement that it be stood.

The Chairman: Is it agreed that clause 53, as amended, be stood?

Some hon. Members: Agreed.

Clause 53, as amended, stands.

Clauses 54 and 55 agreed to.

On clause 56—

Mr. Macdonald (Rosedale): Mr. Chairman, the text as originally drafted would have required the retail customer in a consuming province to keep records as called for in clause 56. The amendment will remove this requirement from the retail consumer. The amendment to be moved by my colleague is as follows:

That Bill C-32 be amended by striking out line 33 on page 22 thereof and by substituting therefor the following:

"production from the person who brought the gas out of its province of production or caused it to be brought therefrom shall keep records and books of"

Mr. Drury: I so move.

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Drury) agreed to.

The Chairman: Shall clause 56, as amended, carry?

Some hon. Members: Agreed.

Clause 56, as amended, agreed to.

Clauses 57 and 58 agreed to.

On clause 59—*Proof of offence.*

Mr. Gillies: On clause 59 we wish to raise the same argument raised on previous occasions about the wording, which seems to indicate that it is putting an undue burden upon the innocent contrary to the general common law of the country. We want again to record our protest. I regret that the minister did not see fit to accept the amendment proposed by the hon. member for Peace River to strike the last four lines in that phrasing.

Mr. Macdonald (Rosedale): I am pained that I cause the hon. member regret. The feeling is that this would impose a responsibility on employers to make certain that their employees obey the law.

Mr. Woolliams: Mr. Chairman, this is the kind of legislation we see in the Income Tax Act and other Statutes. It is putting the onus in reverse, which is not our understanding of the jurisprudence of the land. To me it is a

great mistake, and I am shocked that the minister, who is by profession a lawyer, insists that this clause remain in the bill.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, this clause reminds me of several which were in a bill sent over to the Senate a few weeks ago. The other place struck out this wording, and the government supinely accepted the Senate amendment. I hope this time the government will stand firm.

The Chairman: Shall clause 59 carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Clause 59 agreed to: Yeas, 28; nays, 15.

The Chairman: It being four o'clock it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House.

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, before we move on to other business I should like to raise a point of order at this time in connection with Bill C-58, which is the bill concerning *Time* and *Reader's Digest*. The order for consideration of Bill C-58 provides that, in accordance with Standing Order 74(3), the bill should be referred after second reading to a committee of the whole.

As hon. members are aware, many persons and corporations have indicated their interest in making representations on this bill, and discussions through the usual channels have indicated that there is a general agreement that I should now ask for unanimous consent to propose:

That notwithstanding the provisions of Standing Order 74(3), when Bill C-58 is read a second time, it shall be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

● (1600)

Mr. Deputy Speaker: Order, please. Hon. members have heard the suggestion and the request of the President of the Privy Council (Mr. Sharp). Is there unanimous consent to the proposal made by the hon. minister?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Carried.

Motion agreed to.

Mr. Baldwin: Mr. Speaker, before the government House leader escapes to draft more motions on Bill C-32 perhaps he could indicate what we will be doing on Monday.

Mr. Sharp: Mr. Speaker, it would be the desire of the Minister of Energy, Mines and Resources to continue with Bill C-32 on Monday. On Tuesday we will revert to the favourite of the House of Commons, Bill C-44.

Old Age Security Act

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not rise just for the purpose of dissenting from a comment made by the government House leader, because my position on Bill C-44 is well known. I should like to ask the government House leader what the business will be for the remainder of Monday if we finish Bill C-32 during the day.

Mr. Sharp: Mr. Speaker, in announcing the business for the forthcoming days yesterday afternoon I said I should like to call upon my colleague, the Secretary of State, to proceed with Bill C-20. I am not quite sure whether he will be well enough, but that would be my intention.

Mr. Deputy Speaker: The House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, notices of motions, and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

OLD AGE SECURITY ACT

RESIDENCY REQUIREMENT AMENDMENT

On the order:

Second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-235, an act to amend the Old Age Security Act—Mr. Whittaker.

Miss Campbell: I rise on a point of order, Mr. Speaker. Perhaps it is a little premature and I should have allowed Your Honour to call the bill number before rising on a point of order.

Mr. Lefebvre: I think Your Honour will find that there has been discussion in the usual high places and there is agreement to discuss Bill C-235 today, which stands in the name of the hon. member for Okanagan Boundary (Mr. Whittaker).

Mr. Deputy Speaker: Am I to assume there is agreement to discuss the bill on which there is some disagreement otherwise?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: Is it agreed at least that we try to proceed with Bill C-235 standing in the name of the hon. member for Okanagan Boundary (Mr. Whittaker)?

Mr. Herbert: Mr. Speaker, I have risen on this matter before, voicing my objections to the procedure we are following on private members' business. On the order paper since October 15, 1974, is item No. 3, put on the order paper by the hon. member for Toronto-Lakeshore (Mr. Robinson), and dealing with loansharking. Item No. 4 was put on the order paper by the hon. member for Kenora-Rainy River (Mr. Reid), and it deals with the office of ombudsman. Item No. 10 dealing with the protection of

domestic animals was put on the order paper by the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). Item No. 24 dealing with extending the limits of the capital of Canada was put on the order paper by the hon. member for Hull (Mr. Isabelle). Item No. 32, dealing with proxy voting, was put on the order paper by the hon. member for Crowfoot (Mr. Horner).

All these items were put on the order paper on October 15 and I think it is time we received the reasons why they have been passed over in the intervals. It is six months or more since they were put on the order paper, and I should like to see them proceeded with.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The hon. member has the right to raise this point of order again. I should like to refer him to Standing Order 18(1) which reads:

All items standing on the Orders of the Day, except Government Orders, shall be taken up according to the precedence assigned to each on the Order Paper.

By the rule book this means that the House should call item by item those that appear on the order paper. The only problem is that if they are not proceeded with they go down to the end of the list, and the hon. member directly concerned loses his turn. The practice in recent years has been to ascertain ahead of time the availability of members to proceed with their bills.

If the hon. member does not give unanimous consent I will call each of the bills on the order paper, one by one. Of course he did not say that he would not give unanimous consent if he received the explanations requested. I am not in the position to give that explanation, however, but if any hon. member in the House can give the answer to this request we are ready to listen; otherwise we will proceed in the normal way as the Standing Order directs.

Miss Campbell: On a point of order, Mr. Speaker, the bill before us on private members' hour—

An hon. Member: No bill has been called yet.

Mr. Deputy Speaker: Order, please. Because of the dissent of the hon. member for Vaudreuil (Mr. Herbert) I have to say that the bill in front of the House at this time is Bill C-208, an act respecting National Heritage Day, standing in the name of the hon. member for Windsor-Walkerville (Mr. MacGuigan), to be proceeded with at third reading stage, unless there is consent to go directly to Bill C-235.

Mr. Herbert: Mr. Speaker, I do not want to be difficult. I just want to point out that this is the fourth occasion I have raised this matter. I think we should be given reasons why these bills are left on the order paper for six months. I am not going to carry on further with this procedure today. The normal process should apply, but from here on members should be ready to proceed when their bills are called.

Mr. Deputy Speaker: Is there unanimous consent to proceed today with the consideration of Bill C-235 Standing in the name of the hon. member for Okanagan Boundary (Mr. Whittaker)?

[Mr. Herbert.]

Some hon. Members: Agreed.

Mr. Deputy Speaker: And that all other bills preceding this bill retain their place on the order paper?

Some hon. Members: Agreed.

Miss Campbell: On a point of order, Mr. Speaker, I regret my inexperience in presenting this point of order but Bill C-235 now before the House, under the provisions of Section 54 of the BNA Act needs a resolution. If this bill should pass the House today it would mean that a private member has been able to ask for an appropriation of funds. Under the BNA Act this is virtually impossible. I submit this bill is out of order because it has no royal resolution accompanying it. According to Beauchesne money bills should have royal recommendation and be introduced by a minister of the government.

Mr. Macquarrie: On the same point of order, Mr. Speaker, I should like to observe that if this bill is standing on the order paper after the scrutiny of Mr. Speaker and others, its credibility is somewhat in order. Having studied the bill very carefully I see that what it intends and proposes is the extension of a development for recognition of certain citizen groups, and it does not in any way impose upon the national treasury. *En passant,* in reference to the hon. member for Vaudreuil (Mr. Herbert), I think he is unaware of the great progress made on a bill in respect of National Heritage Day through committee. That is why there has been great agreement on this matter.

● (1610)

Mr. Whittaker: Mr. Speaker, on the same point of order, I think it is terrible to use the rules of this House in this manner against old age pensioners and I do not subscribe to the statement that the bill is out of order, or that it would add excess expenditure. The bill is attempting to provide a qualifying period for overseas service and to treat that time as time spent in Canada for purposes of qualifying for the old age pension.

Surely the government is not going to argue that there is no money for old age pensions. In this bill we are only talking about the qualification for an old age pension. In many instances people have served in this country in the armed forces and not gone overseas, and they have qualified. We are talking about people like that, and about people who were stationed outside Canada. I hope members of the government have not come here to say that there is no money for old age pensions. This bill, if passed, does not necessarily mean anybody is going to qualify. It merely sets out certain conditions they must meet if and when they do qualify. Once again this shows how selfish and self-centred is the government with which we are dealing here.

Miss Campbell: On the same point of order, Mr. Speaker, if the intent of the bill before the House is to include a new category of persons eligible for old age security, it would be adding to the Old Age Security Act as it presently stands. I don't think anyone can say that the government is not concerned about the old age security of people in Canada. The record speaks for itself. If Bill C-235 were to make even one new person entitled to money under the

Old Age Security Act, it would increase the scope of the act. I remind the House that there is a recent decision right on that point.

Mr. Young: On the same point of order, Mr. Speaker, I suggest, as the parliamentary secretary said, that it is not open to a private member to propose a bill which increases the amount of money to be spent under a law of this country. Otherwise, for example, it would be open for a private member to propose a bill which would double pensions paid to senior citizens. I think that was the parliamentary secretary's point. I submit that money bills must be preceded by the royal recommendation. Of course if the number of senior citizens in the country were doubled or if the age of eligibility were altered, more money would be paid out of the national treasury. I think the point made by the parliamentary secretary is valid.

Mr. Poulin: Mr. Speaker, I commend the hon. member for Okanagan Boundary (Mr. Whittaker) for bringing forward this bill. I think it makes a major suggestion which ought to be considered at the proper time, in the proper way. The parliamentary secretary has defined the position. If this bill passes it will become a charge on the treasury of this country. Such a charge can only be proposed by the treasury benches, as the recent decision of Mr. Speaker makes clear.

We, on my side, are most interested in seeing that all senior citizens who would be included in the new classification are given the benefits to which they are entitled, but we know this must be done within the rules established by parliament. In my view this bill is out of order, for the reasons given by the hon. member for South Western Nova (Miss Campbell).

Mr. Reynolds: Mr. Speaker, listening to the last speaker say how great the bill is almost brought tears to my eyes. The hon. member opposite suggested that this bill would add to the provisions of the Old Age Security Act and that this could only be done at the proper time, in the proper way. I suggest that the proposal of the hon. member for Okanagan Boundary (Mr. Whittaker) would not add any new money to be spent on people in this country. There is already in existence a law under which we pay old age pensioners money they so well deserve. Certainly this bill would provide pensions for some people who fought for their country. There is something wrong with a government which will not agree to passing, in less than an hour, a bill which will provide benefits for people who fought for this country and made it great. There is something wrong with a government which challenges this kind of bill. After all, Mr. Speaker must have seen it and agreed to its inclusion on the order paper, or it would not be in the list of bills on the order paper.

Mr. Anderson: Mr. Speaker, certainly members do not intend to discredit the idea behind the hon. member's bill. I think the parliamentary secretary, however, wisely pointed out that a bill involving the expenditure of funds is beyond the realm of a private member.

I sincerely compliment the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) who spoke so eloquently about senior citizens. Nevertheless, no matter how worthwhile the bill is, it must conform to the rules. I am afraid I agree with the parliamentary secretary. This bill does not fall within the prerogative of private members.

Mr. Nowlan: Mr. Speaker, I listened with interest to the points of order raised in connection with Bill C-235. Like my colleague for Burnaby-Richmond-Delta (Mr. Reynolds), I listened with amazement at some of the remarks from across the way. The hon. member for Comox-Alberni (Mr. Anderson) made, as he does from time to time, a logical and constructive contribution to this House. Apparently there is some procedural difficulty with Bill C-235, even though it has cleared the hurdle of the Table. Surely remarks like that constitute a vicarious insult to Table officers, and to those responsible for seeing the bill placed on the order paper. Members of the government have been standing up and saying that they are in sympathy with the subject matter of the bill. The eye which looks at the bill that way has a tear in it. But the other eye, with its narrower vision, sees some misty, hazy, procedural objection, which will deny to senior citizens who are or should be qualified benefits for which they fought so hard.

I was surprised to hear the remarks of the hon. member for South Western Nova (Miss Campbell), the parliamentary secretary. I know of her interest in certain problems affecting the health and welfare of Canadians at large and, it is to be hoped, of her own constituents. I was absolutely amazed to hear what she said, in view of her interest shown in the people of South Western Nova before she became a member, and that she would be a party—

Miss Campbell: Mr. Speaker, I rise on a question of privilege. I have listened for long enough to comments against my constituency in connection with this matter. It should be remembered that this proposed provision may apply to a few Canadians only, and not, as the hon. member suggests, to my constituency.

● (1620)

Mr. Nowlan: Mr. Speaker, I do not want to prolong this because I am going to come up with what I think will be a very constructive, healthy compromise to resolve the dilemma. The fact is that the subject matter of the bill in effect gives credit to those who fought outside the country for their pension entitlement. I would think that with the humane interest of the hon. member for South Western Nova (Miss Campbell) as a member, she would find support for that proposition, but unfortunately, donning the cloaks and robes of parliamentary secretary, she has to look at it from another point of view. I know this means running counter to her fundamental interest.

In order to resolve these problems and wash away the crocodile tears so that people can have clear vision, I do not see why this House, because of the fundamental interest in the humanity of the bill, cannot by unanimous consent refer the subject matter of the bill to the appropriate committee for due deliberation, in order that we do not run into any narrow procedural rule which would put this on the side tracks.

Mr. McGrath: Mr. Speaker, I rise on the same point of order. The hon. member for Annapolis Valley (Mr. Nowlan) has raised a very interesting point. We have

adopted the practice in the House of allowing the subject matter of certain private members' bills to go to committee. The reason that practice has crept in is to avoid the possibility of a bill that would not be in order passing second reading stage in this House and going on to committee. The inference there obviously is that private members' bills, and quite rightly so because it would certainly overtax the Table, do not receive the same scrutiny as bills emanating from the treasury benches. For that reason I submit that the point raised by the hon. member for Annapolis Valley is very valid.

In the spirit of private members' hour I am sure the House would be disposed to allow debate to take place on this very important subject. I also feel there would be sufficient sympathy for the aims and objectives of the bill to allow the subject matter to be referred to committee.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I notice a number of eyes looking in my direction. I am not surprised at that. I wonder if the last speaker and the one before him are aware that when they suggest having the subject matter discussed in committee, this House of Commons has already passed a motion in the name of the hon. member for Okanagan Boundary (Mr. Whittaker) urging the government to take the very step that is in this bill. Passing on another pious wish would be of no help. We have already passed a motion, which was amended, asking the government to bring in legislation to do precisely what is set out in this bill.

On the point of order I really do not think many members are going to accuse me of being against old age pensioners, or of being unwilling to support any move that improves the old age pension in any way, shape or form.

In previous debates on this subject I have supported strongly the position taken by the hon. member for Okanagan Boundary. However, in all conscience I cannot argue on Tuesday that a money bill, or even amendments to a money bill, must have a royal recommendation, and then on Friday say it is not necessary. The point that came out of the procedural debate on Tuesday and Wednesday was that amendments to a certain bill made by private members in committee could not be considered, but that the mistakes there could be corrected by a minister bringing in the necessary amendment and the royal recommendation.

What ought to come out of the debate in January, and out of the discussion this afternoon, is a plea to the government to do what the hon. member for Okanagan Boundary means to do. In other words, the government, through the Minister of National Health and Welfare (Mr. Lalonde), should bring in a bill along these lines, or a bill including this proposal, as the House unanimously has already asked the government to do.

Let us not get tied up in arguments to the effect that the side you take on a procedural point decides the side you are on in the issue itself. What is before us is a point of order. Your Honour may decide to let the House discuss it, but I do not see how Your Honour can let the House come to a vote on a bill about which there is a procedural question.

With regard to the point that two or three members have raised, I wish members would be aware of what has gone on before making wild assertions. The assertion that because the bill is on the order paper it has the approval of the Table and the Chair, is really not correct. When all these bills were brought down on October 15—and I am grateful to the hon. member for Vaudreuil (Mr. Herbert) for bringing the date to my attention—Mr. Speaker entered a caveat. There were 158 bills and he did not have time to check to see if they were all in order. His Honour said that would be done as and when the bills were called.

I am not going back on the argument I made on Tuesday, and which the Speaker supported on Wednesday. I think Your Honour would make a mistake if you allowed this money bill to proceed to a vote without the royal recommendation being attached to it. Perhaps some way can be found by unanimous consent to spend the rest of the hour discussing the substance, but not a bill that is not in order when moved by a private member.

Mr. McGrath: Mr. Speaker, along the lines of the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles), could I ask whether the Chair would be disposed to getting the unanimous consent of this House to discuss the subject matter of this bill and hopefully have it disposed of by reference to the committee.

Mr. Martin: Mr. Speaker, this is a momentous occasion because it is the first time that I rise to speak on a point of order. With regard to the comments just made by the hon. member for Winnipeg North Centre (Mr. Knowles), possibly this suggestion might be of some help.

There seems to be a very serious question as to whether this House is correct in continuing discussion on this private member's bill for the reasons put forward by the parliamentary secretary and others. I wonder whether the substance of what the hon. member for Okanagan Boundary (Mr. Whittaker) is after has not been achieved in the debate that has gone on since four o'clock, and whether he is not anxious to see the government move certain amendments to the Old Age Security Act which might encompass the kind of suggestion he is proposing. I suggest this particular debate might put that emphasis on his proposal.

Miss Campbell: Mr. Speaker, I rise on the new point of order raised by the hon. member for St. John's East (Mr. McGrath). The hon. member for Winnipeg North Centre (Mr. Knowles) raised a point that was before the House on January 31, 1975, and before that. Once amended, there was unanimous consent at that time to bring it forth. I remind this House that the Speech from the Throne stated there would be amendments, particularly with regard to those who at some point had been resident outside Canada.

Mr. Deputy Speaker: Order, please. The parliamentary secretary is engaging in debate.

Miss Campbell: No, Mr. Speaker. This is a new point of order to discuss the substance. I just want to say that this will be brought before the House.

Mr. Baldwin: Mr. Speaker, the hon. member for St. John's East (Mr. McGrath) made a proposition. The hon. member for Winnipeg North Centre (Mr. Knowles) is perfectly correct. We cannot discuss this unless there is

some form of unanimity. But in a matter as important as this, despite the fact that there was a motion of the House passed unanimously, the kind of motion which affords some protection by way of anonymity to those members who are here, the only way we can get anywhere on this is to put some pressure on the government.

● (1630)

If there were a willingness to give unanimous consent to discuss the subject matter, my hon. friend, or someone acting on his behalf, would have to move an amendment, and a debate could take place in the remaining half hour which would smoke out those who might piously indicate that they are in favour of the measure but, that unfortunately, they cannot discuss it because it is out of order. I hope none of them are, in fact, present in the House at this moment. This would give an opportunity for us to reflect and offer the government an indication of our views between now and five o'clock. If unanimous consent is not given, that would, of course, settle the matter.

Mr. Deputy Speaker: Order, please. I thank hon. members for their interest in the problem the House is facing at this time. I am sure they will agree with me that we should deal with first things first and consider the point of order which was raised by the parliamentary secretary before we see if there is unanimous consent to any other action the House might wish to take in the rest of the time available.

The point raised by the parliamentary secretary is well taken, and hon. members need hardly go to the trouble of reminding the Chair of Standing Order 62(1), which is very clear and says:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

The Standing Order is very clear. Hon. members who take the trouble to read some of the material around Citation 265 of Beauchesne will find precedents which confirm the application of this Standing Order over the years. It is very difficult for the Chair to overlook this restriction as far as our proceedings are concerned.

Of course the objective and the principle involved in the proposal made by the hon. member for Okanagan Boundary (Mr. Whittaker) are not questioned at this time. What the Chair is concerned about is whether or not this proposed Bill C-235 has a money implication and whether or not it might impose a financial burden on the public treasury. This is the main point which has been raised by hon. members.

The hon. member for Hillsborough (Mr. Macquarrie) and the hon. member for Annapolis Valley (Mr. Nowlan) were concerned about the involvement of the Chair, with regard to the point of order raised by the parliamentary secretary. But I think the hon. member for Winnipeg North Centre (Mr. Knowles) gave an answer to that when he reminded us that Mr. Speaker did make a reservation when all these bills were presented—that he warned hon. members by entering a caveat that the Chair was reserving its decision as to the acceptability of the hundred or so measures which were presented to the House all at the same time.

I am, of course, concerned about any legislation which may be of benefit to the population of Canada, and I was hoping that some hon. member might be able to prove to me that there is no money implication in the bill proposed. While hon. members were fighting their way through the procedural points I was trying to see whether or not it was possible for an armed forces veteran to reach the age of 65 and be entitled to old age security before the period of ten years. I was not in a position to establish this, and so as far as I am concerned I still have a doubt in my mind as to whether it is possible for a Canadian, maybe not in peacetime but in wartime, to come out of the armed forces and be eligible for old age security pension by reaching the age of 65, which is in the act at this time. So there is, to my mind, a money implication in this bill.

I myself have been in the chair on two occasions in this House within recent weeks when there was unanimous agreement to consider proposals which had money implications so as not to lose the time available for private members' hour. Although I did make a caveat I did let the House debate such proposals.

But I feel that after giving this warning, and inviting hon. members not to put the Chair too often in this kind of situation, at the same time, in the light of the decision rendered by Mr. Speaker on Bill C-44 this week, which I think gave more importance than ever to the need for a royal recommendation to be attached to a piece of legislation, or to be presented at the same time an amendment is presented either in committee or in this House, at report stage or at any other stage, I feel that if there is to be a recommendation to be attached to this bill because of its money implications, it should be done now. I would be surprised if the hon. member for Okanagan Boundary had such a recommendation available. Because of all these considerations I cannot allow the bill in its present form to be debated at this time.

As far as another suggestion is concerned that there might be unanimous consent to discharge the order and then allow the hon. member to withdraw his bill, can the House then decide to debate the subject matter? I do not see too much difficulty about that. I feel there is no real precedent, but there are a few minutes left before the House adjourns for the weekend, and if there is unanimous consent to debate the subject matter, after we have taken the bill off the order paper, I would have no objection and I would be ready, by unanimous consent, to allow the subject matter to be debated.

Mr. Lefebvre: On a point of order, Mr. Speaker, could you inform us what you are asking us to do between now and five o'clock? I did not quite get the end of it.

Mr. McGrath: Mr. Speaker, you would permit the hon. member to withdraw his bill with the understanding that the House would give leave to have the subject matter of the bill discussed during the time remaining.

Mr. Deputy Speaker: Perhaps I made a mistake. I did not realize that the bill had never been in front of the House; so the hon. member cannot withdraw the bill from the House at this time. But let it be ordered that the bill be

struck from the order paper, which it would be in any case following this decision from the Chair. Is the House prepared by unanimous consent to debate the subject matter of this bill between now and five o'clock?

● (1640)

Mr. Lefebvre: On the point of order, Mr. Speaker, that is agreed as long as the parliamentary secretary and others have equal time to reply to the statements the hon. member wishes to make.

Mr. McGrath: That is totally unfair, and I am surprised at you.

Mr. Lefebvre: I was surprised at you years ago.

Mr. Deputy Speaker: Order, please. Apparently there is not an indication of unanimous consent, so unless there is another item of business I will have to call it five o'clock.

Mr. McGrath: Mr. Speaker, let the record show that the government whip has refused uanimous consent to proceed with this debate.

Mr. Lefebvre: No way.

Mr. McGrath: We will keep this in mind when other bills come up, such as the bill standing in the name of the hon. member for Kenora-Rainy River (Mr. Reid) which calls for the appointment of an ombudsman, and definitely involves a charge on the Crown. We will treat it in the same way.

Some hon. Members: Five o'clock.

Miss Campbell: Mr. Speaker, let it appear on the record as well that the government whip asked that there be equal time.

Mr. Dick: In an out of the normal way.

Mr. Deputy Speaker: Is it agreed that I should call it five o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock this House stands adjourned until Monday at 2 p.m.

At 4.44 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 28, 1975

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

WELCOME TO MEMBER FOR PRINCE ALBERT ON RETURN TO HOUSE FOLLOWING ILLNESS

Mr. Speaker: I know that despite our haste to demonstrate our willingness to see the new procedures remain effective, hon. members would not begrudge one moment out of the time set aside for motions pursuant to Standing Order 43 to make note of the return to active service amongst us this afternoon of the right hon. member for Prince Albert (Mr. Diefenbaker).

Some hon. Members: Hear, hear!

Mr. Speaker: Despite the reforms and the efficiency, with which we now conduct our question period, there has been something missing of late which, I am sure, we will see promptly return to the question period.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

VIET NAM—PROPOSED INQUIRY INTO FAILURE OF EMBASSY TO EVACUATE VIETNAMESE MEMBERS OF STAFF—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity concerning the deplorable stance assumed by the Canadian government in its refusal to expedite the evacuation of the Vietnamese employed by its embassy in Saigon on the premise that exit visas were unobtainable. In light of the successful efforts on the parts of both Pan-American airways and the British embassy in Saigon to evacuate Vietnamese members of their staffs, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the government order an immediate parliamentary inquiry into the failure of the Canadian Embassy to evacuate its Vietnamese staff.

Mr. Speaker: Order, please. This motion, pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

HOUSING

SUGGESTED REDUCTION OF MORTGAGE INTEREST RATE TO STIMULATE CONSTRUCTION—MOTION UNDER S.O. 43

Mr. John Gilbert (Broadview): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the recent increase in mortgage interest rates, an increase which can only have the effect of further depressing housing starts as we enter the peak of the building season, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the House instruct the Minister of State for Urban Affairs and the Minister of Finance to immediately reduce mortgage interest rates to increase funding for the Assisted Home Ownership Program, non-profit and public housing programs of CMHC and having a target of 400,000 starts in housing for 1975.

Mr. Speaker: Order, please. This motion, pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

PROPOSED INQUIRY INTO BANKING PROCEDURES OF CIDA—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I am prompted to do so by Neil Overend's statement in Committee on April 24 that some $2.7 million of CIDA's money has been sitting in a non-interest account in a Kenyan bank for over five months, which is either an under-handed way of granting Kenya hard foreign currency or a matter of gross incompetence. Therefore, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the government order an immediate inquiry into the banking procedures of CIDA and other government agencies to see what other sums of Canadian taxpayers' money have not been earning interest over long stretches of time.

Mr. Speaker: Order, please. This motion, pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Air Canada Inquiry

BROADCASTING

REQUEST FOR REVIEW OF APPROVAL OF TAKEOVER OF BUSHNELL COMMUNICATIONS BY STANDARD BROADCASTING—MOTION UNDER S.O. 43

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity which relates to a meeting that is planned for three o'clock this afternoon. In view of the announcement over the weekend of the acquisition of a substantial ownership by Power Corporation in Argus Corporation, and in view of the previous approval granted by CRTC for the acquisition of a controlling interest in Bushnell Communications by Standard Broadcasting, a subsidiary of Argus Corporation, I move:

That the Minister of Communications request the CRTC to review the approval given to Standard Broadcasting to determine whether or not the takeover of Bushnell Communications is in the public interest.

Mr. Speaker: Order, please. This motion, pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR CANADA

PROPOSED AMENDMENT OF TERMS OF REFERENCE OF ESTEY INQUIRY—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43 respecting the recently announced inquiry into certain aspects of Air Canada's management and operations. Since the order in council P.C. 1975-963 appears deficient in that it does not authorize Commissioner Estey to make recommendations arising out of his fact finding powers, as is usually the case under the Inquiries Act, and since this defect could seriously curtail the effectiveness of the commission, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House urges the governor in council to amend order in council P.C. 1975-963 by adding to the specific powers of the commissioner the following additional power, as paragraph (d): "(d) to make recommendations to the government as to possible measures to be taken in respect of and arising out of the findings of the commissioner".

Mr. Speaker: Order, please. This motion, pursuant to Standing Order 43, cannot be debated without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

NATIONAL PARKS

REQUEST FOR WITHDRAWAL OF DOCKAGE FEES TO ST. LAWRENCE ISLANDS NATIONAL PARKS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of extreme concern to my constituency of Leeds, and to other constituencies along the St. Lawrence River area. I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

● (1410)

That in regard to the recently announced dockage fees for the St. Lawrence Islands National Parks located in the Thousand Islands region, in view of the fact that such application is impractical and collection costs in manpower and boats would likely exceed the amount collected, and in view of the heavy costs such tolls will place on residents in the area, the House requests the government to take steps to withdraw the announced charges.

Mr. Speaker: The motion is moved pursuant to Standing Order 43 and cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

VIET NAM—ALLEGATION VIETNAMESE STAFF MEMBERS LEFT BEHIND WHEN EMBASSY CLOSED—METHOD OF OBTAINING INFORMATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Acting Prime Minister, who told the House on Friday last that the government had no information to confirm reports that when the embassy was closed in Saigon there were left behind Vietnamese who had permission from the Vietnamese government to leave the country. Has the Acting Prime Minister yet been able to check this situation out? If so, what is it?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the inquiries made by the Department of External Affairs confirm that we took out of Saigon all those who had permission to leave. We have no reason to believe that there were any others who could have come aboard. Indeed, when the ambassador was going to the airport, five Vietnamese were removed from the car because they did not have permission.

Mr. Stanfield: The Acting Prime Minister has directed his response to the time at which that flight took place. My question really deals with whether there are Vietnamese there now who have such permission and, specifi-

cally, how does the Canadian government obtain reliable information now from South Viet Nam since the embassy has been closed and all diplomatic and immigration personnel are withdrawn?

Mr. Sharp: We put a question to the government of the United States, which still has a mission in Viet Nam, and the information we received was that up to the time we had made the inquiry, which was yesterday, there had been no change. Permission was still being denied.

Mr. Stanfield: So, the government of Canada is now dependent on the United States government for information from South Viet Nam?

Mr. Woolliams: It always has been.

Mr. Stanfield: The embassy of Great Britain has made strenuous and apparently successful efforts to obtain permission for members of their staff who are Vietnamese citizens to leave the country. Has the Acting Prime Minister any explanation for this in view of the apparent failure of the government of Canada to obtain similar permission?

Mr. Sharp: Mr. Speaker, our embassy has made very strong representations to Vietnamese authorities and had been doing so over a period of many days before the withdrawal. I understand that the British government has a different arrangement with respect to their locally employed staff: after the locally employed staff has been working some time with the British government, they are provided passports. That is not possible under Canadian law.

VIET NAM—GOVERNMENT ACTION TO AID VIETNAMESE WISHING TO COME TO CANADA

Mr. James A. McGrath (St. John's East): Mr. Speaker, according to the Minister of Manpower and Immigration some 1,908 Vietnamese families have authority to come to Canada. My question to the Acting Prime Minister is: what is the government doing at the present time to find out exactly how many of these people are now in receipt of permission from whatever is left of the Saigon authority to leave the country?

Hon. Mitchell Sharp (Acting Prime Minister): Before the Canadian embassy was withdrawn, we had made representations on innumerable occasions on behalf of relatives of Canadian Vietnamese in Canada or who are here on landed immigrant status, to such a point that Vietnamese authorities asked us not to issue authority for these individuals to come to Canada because the Vietnamese authorities said that we were just raising false expectations. They did not intend to give exit permits.

Mr. McGrath: A supplementary question. In view of what now appears to be the total breakdown of what is left of the government of South Viet Nam and in view of the fact that there are almost 2,000 Vietnamese with permits to come to Canada, is the government going to use its good offices in Hanoi and with the PRG—by virtue of our experience with the truce commission—to make an appeal to have these people come to Canada in anticipation of the total collapse of the South Vietnamese government?

Mr. Sharp: Mr. Speaker, in these circumstances I think we would have a greater chance of success if we could establish relations with whatever government takes power in South Viet Nam. One of the great problems we face, and I am sure this will be understood by members of the opposition, is that we have to conduct ourselves in such a way that if and when a change of government takes place we will be in a position to make successful representations.

Mr. McGrath: A final supplementary question, Mr. Speaker. May I ask the Acting Prime Minister if during the interim the Canadian government has made any attempt whatsoever to have a Canadian immigration officer attached to either the United States legation in Saigon or the French legation in Saigon to process the papers of those South Vietnamese who may very well have permits to come to Canada?

Mr. Sharp: Mr. Speaker, we made representations to the American government some days ago. We said that if any of these people to whom we have given letters or visas, and we provided the Americans with a list of them, did manage to get out of Viet Nam in any evacuation that the Americans may be able to enforce, we would be responsible for them financially, for their passage and so forth. It seemed to us that this was the most effective thing we could do on behalf of these people if they managed to get out.

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HOUSING

GOVERNMENT ACTION TO REDUCE MORTGAGE INTEREST RATE AND INCREASE NUMBER OF STARTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of State for Urban Affairs and concerns mortgage interest rates. Considering that mortgage payments for the average family are now in the neighbourhood of $350 to $400 per month, and considering that the legislation which the House passed about a month ago had the effect, through its indirect subsidy to the banks, of driving up the interest rates which is what the New Democratic Party said would happen, can the minister tell the House what steps he intends to take, other than moral suasion, to get the banks to bring down the mortgage interest rate?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I wish the hon. member would consult an economist and see the relationship of the subsidy to low income people who are buying housing under the existing scheme which is affected by the entire interest rate. This rate has not had any effect in increasing rates. There are many other factors at work which are being examined and discussed. We are doing everything possible to make sure that rates are kept as low as possible to enable those Canadians who need low cost housing to get it.

Mr. Broadbent: In short, nothing new. Considering that housing starts for 1975 are down by almost 50 per cent over last year and will run at an annual rate which is

probably the lowest for ten years, will the minister tell the House if he has some new program that will significantly increase housing starts for the rest of the year, particularly as we are approaching the busiest time of the year for house construction?

Mr. Danson: Mr. Speaker, when I have new programs to announce, I will announce them. I think it would be unreasonable to announce what we intend to do and have it held up by parliamentary committees as the last legislation was, thus creating uncertainty. When the market drops we expect to see an improvement and we will announce it at the appropriate time.

Mr. Broadbent: A supplementary question. Considering the serious need for housing in the country and the high and increasing unemployment, could the minister assure the House that whatever is done—and preferably before budget time—will have as its objective for 1975 not 210,000 housing starts but a minimum of 400,000?

● (1420)

Mr. Danson: Mr. Speaker, we are going to work within the realm of reality and realism.

* * *

[*Translation*]

SOCIAL SECURITY

SOCIAL WELFARE—CONSULTATION WITH QUEBEC ON AMOUNTS TO BE PAID

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

As the Quebec Minister of Social Affairs is in the process of revising the standards to be used in determining the amount of assistance to be paid monthly in the future to the needy in that province, and as the federal government pays part of this payment, can the minister tell us whether he has had consultations with his opposite number in Quebec in this regard, and can he give the House some information on the whole matter?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it may be that my officials have had consultations, but I have not had any personal exchanges with my Quebec colleague. However, a federal-provincial conference of welfare ministers is scheduled for next Wednesday and Thursday, at which time I may have the opportunity of discussing the matter with him.

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[*English*]

EXTERNAL AFFAIRS

VIET NAM—REASON FOR EARLY EVACUATION OF EMBASSY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Acting Prime Minister. As members of the Canadian news media have had the courage and ability to remain in the South Vietnamese capital and are now our only link with that capital, and as other countries have left their embassy staffs in Saigon, and these staffs are doing their job—

Some hon. Members: Question.

Mr. Hees: My question is, why did the Canadian government find it necessary to order our embassy staff to evacuate from that capital so early.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we took the decision for the two reasons which have already been announced. They are: There was nothing the embassy could now do, if it had remained; secondly, there was the increasing danger to personnel. My hon. friend should bear in mind we would not want either of two things to happen. We would not want to have our evacuation dependent on the Americans. Secondly, we would not want to have our employees held hostage while we complied with the regulations of the new government.

Mr. Hees: A supplementary question, Mr. Speaker. I understand the embassy staff of Australia are still in that country. If it is possible for the courageous members of the Canadian news media to remain in that country and have confidence in their ability to get out, why would there be any greater difficulty in evacuating the members of the Canadian embassy staff?

Mr. Sharp: Mr. Speaker, I think the situation is quite different because, as may be the case, members of the Canadian media are dependent upon the Americans for their evacuation plans; but I, as the acting foreign minister of Canada, would not want to have Canadian officials in that position.

VIET NAM—REQUEST FOR ACTION TO AID VIETNAMESE MEMBERS OF CANADIAN EMBASSY STAFF

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): It's nice to have you back.

Mr. Diefenbaker: Mr. Speaker, I need not to say how deeply touched I was by the message you sent to me on behalf of the members of this House, and the many letters and messages I received from all parts of the House. This shows me, once more, what wonderful comradeship the House of Commons always exemplifies. From the bottom of my heart I thank all hon. members who got in touch with me. It meant a great deal.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Having said that by way of preliminary, I now wish to ask a question about something which is being discussed, namely, those members of the Canadian mission in Saigon who are South Vietnamese. One, two, or possibly three, come from the north and are North Vietnamese. Unless something is done on their behalf, they face almost certain extermination. Although there was plenty of notice that the situation was worsening, and although it was known that action would have to be taken, it was not. I now suggest that the Canadian

government should get in touch with the American government, even though the minister displays an aversion to having the Americans look after our interests, ask it to get in touch with the American embassy and have the American embassy communicate with those South Vietnamese who stood with us in the dark hours.

I have seen them there. Months ago they feared an ultimate victory of the North. Will the government request the United States embassy to get in touch with these several employees of the Canadian embassy and endeavour to arrange for exit permits for them? The conscience of Canada is asking for action. Press reports to the effect that these people were denied transportation while two automobiles and some vases were loaded in their place, is something that ought to be clarified. The government should now get in touch with the United States and ask for its co-operation in bringing about the preservation of the lives of those who gave their all for Canada by remaining on duty.

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, on behalf of the government, I would express my delight at seeing the right hon. member for Prince Albert back in his seat in his usual form and, more than that, in such good health.

Some hon. Members: Hear, hear!

Mr. Sharp: I will now attempt to deal with the questions that have been put by the right hon. member. We made many efforts to get exit permits granted to the staff of our embassy in Saigon. I should first make it clear that not all of them want to leave. I rather regret the implication of the right hon. member's question that association with Canada is going to put their lives in jeopardy because I do not think that is so. Canada has always acted in Viet Nam in a very objective way. We were members of the International Control Commission. I do not believe it can be said that we became involved, as did the United States, in the war between the North and the South.

On the second point, as evidence of the problem that we face, I said in reply to a previous question that our ambassador did attempt to take to the airport five Vietnamese who were relatives of Vietnamese in Canada. They were taken out of the car and refused permission to proceed. I do not think the House quite realizes it is not that we want a piece of paper. That is not our problem. The problem is that Vietnamese who wanted to get to the airport without a permit from the Vietnamese government were denied access. Their progress was impeded. We had no armed forces. We had no way of running such a blockade.

I say to my right hon. friend that we did as much as we could do under the circumstances. We have provided the American government with lists of relatives of Vietnamese in Canada. We were successful to a limited extent. On the plane that came out, we brought some dependants of Vietnamese. I forget the number. There were not many. However, we brought as many at that time as were given permission to leave.

We are doing what we can to help in the situation. However, as I said previously, we have to act in a way that we can be successful. Even though we get some out now, there are going to be a great many who will remain. We want to be able to act on their behalf in affecting reunification of families in the future.

Mr. Diefenbaker: Mr. Speaker, I was not dealing with the general group in South Viet Nam. I was speaking specifically of the six or eight in the Canadian mission there. I am not speaking of the larger group. I asked whether the minister would reconsider and get in touch with the Americans. After all, these people who were employed there have some diplomatic rights. They should be entitled to leave. If the Americans get in touch and are successful, will the government of Canada provide a plane to bring to Canada these people who, despite the minister's optimistic statement as to their future, face almost certain death?

● (1430)

Mr. Sharp: May I deal with just one of those cases? The driver of the automobile which took the Chargé d'Affaires out to the airport for the evacuation got through, of course, because he was driving the car. He boarded the plane and it was then discovered he was the father of nine children; he was persuaded it would be better if he did not abandon them in Viet Nam. So, he left. We do have a responsibility toward these people, but I want to say to the right hon. gentleman that not all of them want to leave Viet Nam. I believe we have more of a responsibility for the dependants and relatives of Vietnamese in Canada than we have for these people, because they have no special ties with Canada and it does not necessarily follow they would wish to come to Canada.

Mr. Diefenbaker: A most evasive answer.

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HOUSING

REQUEST FOR AMENDMENT OF AHOP PROGRAM TO INCLUDE LAND SERVICED BY SEPTIC TANKS

Mr. J.-J. Blais (Nipissing): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs; it arises out of the statement made on Friday by the hon. gentleman to the effect that there are still funds available for the AHOP program. In view of the high demand in my area for funding under this program—no doubt there is a similar demand in other areas of rural Canada where people live in small communities—and in view of the fact that under present policy the program is not available to them, would the minister consider amending government policy so as to make land serviced by septic tanks eligible under the program?

Some hon. Members: Hear, hear!

Hon. Barney Danson (Minister of State for Urban Affairs): I am pleased my hon. friend has noted the success of the program, as hon. members opposite have always done. I would point out that 40,000 NHA loans have been made in rural areas, mostly in respect of property

served by septic tanks. Nevertheless, the regulations may be overly rigid in some areas, and I am in the process of studying the policy at the present time to make certain it is realistic and that while maintaining the high standard which I am sure all members wish to maintain, it results in a little more freedom of action.

Mr. Blais: While it is good to learn the minister is reviewing the policy, can we encourage him to reach a decision before May 31?

Mr. Danson: I hope a decision will be made well before May 31.

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TRANSPORT

FREIGHT RATES—REQUEST FOR ACTION TO PREVENT INCREASES COMING INTO EFFECT ON MAY 5

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Acting Prime Minister arising out of the 20 per cent across-the-board increase in class freight rates filed by the Canadian railways and due to come into effect on May 5? In view of the fact that on February 24 the Minister of Transport, along with four western provincial ministers of transport, announced that there had been a break-through with respect to this matter and that he—the federal minister—was opposed to this increase in rates, what action is the government taking to ensure that the commitment made by the federal Minister of Transport is carried out and that this increase in freight rates will not come into effect on May 5?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Regional Economic Expansion): I will take that question as notice, Mr. Speaker, and get a reply for the hon. member.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since the minister is not here, and since the Acting Prime Minister is not able to make any statement on government policy, may I ask the Acting Prime Minister whether he will assure the House that either he or the Minister of Transport will make a statement to the House within the next few days before this increase in freight rates comes into effect so that we may have some idea of what the policy of the government is, and whether or not the commitment made by the minister on February 24 is to be carried out?

Hon. Mitchell Sharp (Acting Prime Minister): The Minister of Transport will be here tomorrow and I hope the hon. member will direct this inquiry to him. I am sure he will be prepared to answer it.

[Mr. Danson.]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—GOVERNMENT ACTION TO ENFORCE COMPLIANCE WITH BACK-TO-WORK LEGISLATION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, the House has been informed of the considerable damage being done by the continuation of the strike in the Port of Montreal. My question to the Minister of Labour is this: since only two of the 2500 Quebec longshoremen ordered back to work have decided to go back, thus disobeying the back-to-work legislation, is the government taking immediate action to make sure that the law is complied with in this instance?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, we are having officials of the Department of Justice examine the entire situation with a view to taking appropriate legal action.

Mr. Grafftey: Because of the gravity of the situation, will the minister inform the House precisely what action is contemplated? Will it be taken immediately? What specific action is contemplated to help the Quebec farmer whose supply of feedstuff is being shut off?

An hon. Member: You were not here when we discussed this.

Mr. Munro (Hamilton East): As to the question about the supply of grain, there is no doubt this is a grave situation; we intend to do whatever we can in that particular area. As to the first part of the hon. gentleman's question, legal action will be taken just as soon as we can.

Mr. Grafftey: Will the Minister of Justice elaborate on this aspect and tell the House what immediate action we can expect in an effort to remedy the situation?

Hon. Otto E. Lang (Minister of Justice): As hon. members may appreciate, in a case like this we will be investigating the facts and the application of the law to those facts with the object of taking whatever action we can to carry out the intention of the House as expressed in its recent enactment and, more particularly, to make sure that feed grains are made available to those who desire access to them in the terminal facilities.

STRIKE OF LONGSHOREMEN IN QUEBEC—INQUIRY WHETHER BACK-TO-WORK ORDERS ISSUED

Mr. J. M. Forrestall (Dartmouth-Halifax East): Has the government yet taken steps to seek a compliance order under the terms of the act which was passed the other night? While he is on his feet to reply, would the minister also tell us whether, to his knowledge, back-to-work orders by the companies or by MEA have, or have not, been issued?

Hon. John C. Munro (Minister of Labour): These dispatch orders were sent out last night in Montreal. The basis of the investigation is to determine whether or not there has been disobedience to the order. It is precisely the factual situation we are looking into now. Having established the fact, we intend to take the appropriate legal

action as I and the Minister of Justice have already indicated.

* * *

GRAIN

PROPOSAL THAT AGRICULTURE COMMITTEE TRAVEL TO OBTAIN VIEWS OF FARMERS ON BILL C-141

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to address a question to the minister responsible for the Wheat Board. Because of widespread confusion in western Canada with regard to Bill C-141, the grain stabilization bill, introduced into the House not long ago, can the hon. gentleman assure us that the Agriculture Committee, if it wishes to do so upon completion of second reading, will be allowed to travel into western Canada to hear the views of farmers directly in the three prairie provinces?

Hon. Otto E. Lang (Minister of Justice): I do not think I would accede to that request on the basis that there was any confusion, but I would be glad to discuss the matter with the leader of the House on the basis of more general principles.

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AIR TRANSPORT

ALLEGED DANGER IN USE OF FRENCH LANGUAGE IN AIR TO GROUND COMMUNICATIONS IN QUEBEC

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, a question for the Acting Prime Minister. According to the International Air Agreement, English is the universal language of communication between ground and air in take-offs and landings. In view of the fact that the Canadian Air Pilots Association has issued a statement condemning the use of French in air-ground communications in Quebec as being dangerous to the travelling public, leading to potential disaster, why has this practice been permitted? Will the Acting Prime Minister take steps to ensure that this policy is discontinued?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take this serious question as notice and try to provide an answer tomorrow.

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ADMINISTRATION OF JUSTICE

INVESTIGATION INTO SEAFARERS' INTERNATIONAL UNION BY MINISTER OF JUSTICE—REQUEST FOR REPORT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct my question to the Minister of Justice. It is related to the SIU and charges imputing violence, intimidation, black-listing and so on. Last Monday the Prime Minister indicated that the Department of Justice was considering whether a broad, sweeping inquiry should be invoked. My question is: has the minister reached a decision as to whether the Ontario government, its police and the municipal government, are able to conduct this inquiry themselves or whether it is an area where the federal government should step in? If the government has reached a decision, what is it?

● (1440)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, some further information related to this question has come into my hands and I will be having discussions with some of my colleagues in the very near future with a view to seeing what further steps should be taken.

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LABOUR CONDITIONS

SUGGESTED INQUIRY UNDER CANADA LABOUR CODE INTO ACTIONS OF SEAFARERS' INTERNATIONAL UNION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question for the Minister of Labour. The minister knows that under section 196 he can take initiatives in order to instigate an inquiry to bring about industrial peace, which I think we can all appreciate is required at this time. Would the minister advise whether under the Canada Labour Code he and the Minister of Justice will look into the possibility of such an inquiry and, if so, is he personally involved in an attempt to reach a decision with the Minister of Justice?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I believe the Minister of Justice was referring to his colleagues when he said that he would undertake certain consultations on the basis of information he has now received. This type of consultative process has not yet taken place. If it should indicate, in a hypothetical situation, that further action is required—I cannot say whether it is required at this stage—I think the Labour Code is one option to which we can resort.

* * *

EXPORT DEVELOPMENT CORPORATION

SUGGESTION CORPORATION STOP FINANCING CONTRACTS CONTAINING CLAUSE BOYCOTTING TRADE WITH ISRAEL

Hon. Herb Gray (Windsor West): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce I have a question for the Acting Prime Minister. Will the government have the Export Development Corporation immediately stop guaranteeing or otherwise financing contracts involving sales to Arab countries by certain Canadian firms, knowing that these contracts contain terms whereby these firms agree to abide by provisions of the Arab boycott and not trade with Israel? Does he realize that if this is not done it could appear that an agency of the federal government is condoning the acceptance of the Arab boycott by certain Canadian firms, which would mar the generally constructive record of achievement by the Export Development Corporation over the years?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I begin by saying to my hon. friend that the government is extremely concerned about this matter. My

colleague the Minister of Industry, Trade and Commerce has instructed the Export Development Corporation, in the context of its legislative mandate, to review the Arab boycott clause as it applies to both insurance and direct lending operations.

* * *

HOUSING

REQUEST FOR INCREASE IN AMOUNT OF LOAN UNDER AHOP AND REDUCTION IN MORTGAGE INTEREST RATE

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the fact that the price of homes has moved beyond the reach of most families, would the Minister of State for Urban Affairs increase by at least 50 per cent the direct lending allowance of CMHC for AHOP non-profit and public housing to at least provide housing for people of low or moderate income at a reasonable price?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I will consider any suggestion the hon. member makes.

Mr. Gilbert: A supplementary question, Mr. Speaker. In view of the fact that the Minister of State for Urban Affairs and his officials have been in touch with the financial institutions concerning the recent increase in mortgage rates by the banks, has the minister persuaded the banks to roll back the interest increase by accepting their social responsibility to solve the housing crisis?

Mr. Danson: Mr. Speaker, we make regular contacts to keep tuned in to the mortgage situation. I am not at all satisfied yet that mortgage rates have stabilized and I am continuing to watch them carefully. I am not so much concerned whether the banks are aware of their responsibility in this regard; I am more concerned at the moment that mortgage money comes onto the market at the lowest possible level in view of the cost of money, and that it is coming in sufficient quantity to provide housing that Canadians can afford.

SUGGESTION CMHC PREPARING NEW MEASURES TO DEAL WITH EMERGENCY SITUATION—REQUEST FOR CONSULTATION WITH PROVINCES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of reports over the week end that CMHC is proposing new measures prior to the budget to deal with the emergency situation in housing, would the minister say whether these reports are indeed correct and whether they form part of the consensus program that the Minister of Finance has been seeking?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, without evading the question, which I appreciate is a frank one, I would rather not comment on newspaper reports that are speculating on what I might do, which might unnecessarily cause more uncertainty and confusion.

[Mr. Sharp.]

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. Would the minister assure the House that prior to the announcement of any such proposal these measures would include consultations with his provincial counterparts to allocate more funds to the provinces for socially assisted housing?

Mr. Danson: Mr. Speaker, I have assured my provincial counterparts that there will be consultations—

Miss MacDonald (Kingston and the Islands): You had not as of this morning.

Mr. Danson: I have been in touch with them as recently as the last two weeks to give that indication, and that will be the case.

* * *

FARM CREDIT CORPORATION

ALLEGED DIFFICULTY OF FARMERS IN PROCESSING APPLICATIONS FOR LOANS—GOVERNMENT ACTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, in the absence of the ministers directly responsible I therefore direct my question to the Acting Prime Minister. In light of the fact that many farmers are experiencing difficulty in having their applications processed through the Farm Credit Corporation, and in view of the fact that many farmers' plans for spring work have come to a complete stop until these applications are processed, would the Acting Prime Minister inform the House whether or not a directive has been sent to all farm credit offices to alleviate this serious situation?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I cannot answer the question directly, but I know my colleague the Minister of Agriculture will give very sympathetic consideration to that representation.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

POSSIBILITY OF OIL SPILL ON WEST COAST—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): If I have enough energy left in my voice, I should like to ask a question to the Minister of Environment.

Considering her reply Friday to a question asked by my colleague for Vancouver South concerning the routing of tankers from Alaska, and especially her satisfaction with regard to the alternative destination of such tankers, could the minister explain how construction of a pipeline from the town of Port Angeles, located at the south east extremity of the Juan de Fuca Strait, at Cherry Point, could avoid the possibly disastrous effects of an enormous spill of hydrocarbons from a 150,000-ton tanker into the Juan de Fuca Strait prior to the arrival of the tanker at Port Angeles?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, these super-tankers are capable of navigating

in the waters of the Pacific, which, by the way, are international waters. I firmly hope that in our negotiations with the Americans, we shall be able to establish routes that are adequately distant from the coasts involved, so that the magnificent coasts of British Columbia are properly protected. However, to guarantee such new routes a greater degree of security, the solution that would consist in setting up a port for the delivery of oil to Port Angeles would be, in my view, the most amenable one.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question.

Is the minister satisfied with the progress the Minister of Transport has made in the development of a guided navigational system for the dangerous Juan de Fuca and Georgia Straits waters, and what has her own department done, if anything, to stock the cleaning material which would be necessary in case of a possible oil spill in such rich waters?

Mrs. Sauvé: I am very satisfied indeed with current negotiations. The Department of the Environment is also taking part in these negotiations. As I stated last Friday, these negotiations deal with vessel traffic schemes, navigational aids and storage of the equipment we would need in case of possible mishaps.

* * *

[*English*]

PUBLIC SERVICE

GOVERNMENT POSITION ON REGIONAL PAY FOR AIRPORT FIREFIGHTERS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the President of the Treasury Board. With regard to the treasury board's submission concerning airport fire fighters, did the government advocate the implementation of regional pay principles?

● (1450)

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, this is a matter under negotiation with the union at the present time. Of course, as you know, in last year's dispute in Vancouver, where the strike was illegal, there was a great deal of tension within the union. Some parts of Canada are in favour of regional rates while others endorse national rates. As far as we are concerned, to avoid useless pressures on the regions, we prefer the implementation of regional pay rates.

[*English*]

Mr. Muir: Mr. Speaker, I appreciate the minister's reply. He said they have not. Would he not agree that any suggestion by the government or any agency of the government in favour of regional pay rates would be a retrogressive step, particularly in areas of regional disparity.

[*Translation*]

Mr. Chrétien: Mr. Speaker, the answer is not as clear as the hon. member would like it to be. A few days ago, for instance, the finance minister of an Atlantic province blamed the federal government for paying too high a salary to its employees, so that he was losing provincial employees to the benefit of the federal administration.

An hon. Member: Which minister?

Mr. Chrétien: The finance minister of a Tory province, New Brunswick.

[*English*]

SUGGESTED INCREASE IN REGIONAL PAY RATES IN DISADVANTAGED PROVINCES—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary for the President of the Treasury Board. In view of the fact that regional pay rates in have-not provinces are lower than anywhere else in Canada, and in view of the fact that the cost of living is now higher in the Atlantic region than anywhere else in Canada, would the minister consider reversing the basis of regional pay rates because of this fact and increase the regional rates in the have-not provinces where the people are suffering?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, it is precisely one of the important elements determining why, under certain circumstances, it is much preferable to have a regional rather than a national rate. In certain parts of the country, the cost of living is higher than in others, and I think we should act accordingly.

* * *

[*English*]

PUBLIC WORKS

DREDGING—GOVERNMENT POSITION IN VIEW OF FACT ALL COMPANIES UNDER INDICTMENT

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Justice. Has the minister's department been able to come up with a satisfactory solution so that the Minister of Public Works and the Department of Public Works can get on with some dredging in harbours which need it very badly? I ask this because the Goderich Harbour is in immediate need of dredging.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have been in touch with the Department of Public Works so that they can take steps where necessary.

GODERICH HARBOUR—REQUEST FOR INVESTIGATION OF POSSIBILITY OF HAVING DREDGING DONE

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a supplementary for the Minister of the Environment. Would the Minister of the Environment have this situation investigated so that her department would be able to give the go-ahead for this harbour to be dredged as soon as the Department of Public Works sees its way clear to hire a dredge to do the job.

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I am not aware of what dredging the hon. gentleman is speaking about. I was engaged in reading at the time of his question. However, I will look at the question and if it is under my responsibility I will certainly have it looked into.

* * *

INCOME TAX

REQUEST FOR EXTENSION OF DEADLINE FOR FILING

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in the absence of the Minister of National Revenue my question is addressed to the Acting Prime Minister. In view of the fact that accountants across Canada are still experiencing massive delays in the receipt of T-5's which are still coming into their offices, in view of the fact that many RRSP slips are still coming in over 30 days late, and in view of the enormous backlog of mail in post offices across Canada, will the Acting Prime Minister now indicate to that vital arm of the Revenue Department, Canada's accountants and taxpayers, that the government is prepared to extend the tax deadline beyond April 30.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will not give that undertaking but I will discuss the situation with my colleague. Generally speaking, we find that these reports are exaggerated. I am sure the hon. gentleman would want the government to bring in the revenue to which it is entitled on time.

* * *

[*Translation*]

AGRICULTURE

ALLEGED DISCRIMINATORY TREATMENT RECEIVED BY QUEBEC POTATO GROWERS

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I should like to put a question to the Minister of Agriculture, but in his absence, I will put it to his very able parliamentary secretary.

Could he tell us whether the Department of Agriculture intends to correct very soon the different treatment given to Quebec potato growers who cannot take advantage of the subsidies recently announced by the Department of Agriculture with respect to potato sales for animal consumption?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to elucidate the situation. As the result of various pressures made by government members, the Department of Agriculture has decided to grant what it had already granted to New Brunswick and Prince Edward Island producers. We will announce this afternoon a policy for eastern Canada, that is the same formula available to Prince Edward Island and New Brunswick.

[Mr. McKinley.]

[*English*]

PUBLIC SERVICE

NEW FORMULA FOR ESCALATION OF PENSIONS—SUGGESTED APPEARANCE OF MINISTER BEFORE COMMITTEE ON BILL C-52

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the assurance the minister gave me on Tuesday, March 18, that he would take good note of my request for improvements in the formula in respect of the escalation of pensions of retired public servants, retired RCMP and retired armed forces personnel, and in view of the fact that Bill C-52 is now before the House of Commons, may I ask if the President of the Treasury Board will be prepared to appear before the committee to which this bill is to be referred and come forward with the improvements he has thought out in the meantime?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, as all ministers, I am at the disposal of the House and when a committee summons me, I am pleased to appear before it.

* * *

[*English*]

ENERGY

OIL—GOVERNMENT ACTION RELATED TO INTERNATIONAL PRICING ARRANGEMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question regarding the Paris Conference which did not exactly work out is directed to the Acting Prime Minister or the Minister of Energy, Mines and Resources. Now that Canada is becoming a very substantial net importer of oil does the Government of Canada intend to take any initiative concerning international arrangements related to the price of oil? I know the Acting Prime Minister said the opinion he expressed in the House would reverberate around the world, but I wonder beyond that whether the Government of Canada is doing anything more here that it is in respect of South Vietnam?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if I might answer, the standing committee has of course completed its study of the international energy program agreement and we will be proceeding in the very near future to indicate our participation in the International Energy Agency. I think I would have to concede to the analysis of the Leader of the Opposition about the breakdown in the Paris discussions. One of the initiatives we will be taking will be within the International Energy Agency to see if that particular discussion can be reopened and, as a substantial exporter of a number of primary commodities, to see what agreement there would be on expanding the discussions so that they could find some agreement among the developing countries and other primary exporters.

EXTERNAL AFFAIRS

VIET NAM—REASON FOR WITHDRAWAL OF CANADIAN AIRCRAFT FROM AREA IN VIEW OF DESIRE OF SOME VIETNAMESE TO COME TO CANADA

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, a few minutes ago the Acting Prime Minister stated he has provided selected lists of Vietnamese personnel to the Americans asking the United States to accept these people and divert them to us. If the Acting Prime Minister is to be taken seriously with regard to this plan, why was one of our two Hercules aircraft in Hong Kong withdrawn from that area today?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think there is any contradiction between these two actions. It appears to us to be unlikely that there would be an opportunity to lift the Vietnamese who would be permitted to get to the airport or, alternatively, if the regime had collapsed and there were general chaos of course the airport would be unusable. I believe it was very prudent for us to have done what we could on behalf of these Vietnamese who might be able to get out one way or another by methods that we could not choose because we do not have armed forces to support our particular views in Viet Nam whereas the Americans do, potentially if not actually. So, I do not think there is any contradiction.

● (1500)

ROUTINE PROCEEDINGS

[*Translation*]

THE CANADIAN ECONOMY

TABLING OF ECONOMIC REVIEW FOR 1974

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, in the absence of the Minister of Finance and pursuant to the provisions of Standing Order 41(2), I wish to table three copies, in English and in French, of the Economic Review for the year 1974.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,180, 1,765, 1,917, 1,923, 1,924, 1,927, 1,928, 1,929, 1,931, 2,020, 2,072, 2,143, and 2,187.

Mr. Speaker, if question No. 60 and starred question No. 1,475 could be made orders for return, these returns would be tabled immediately.

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

Order Paper Questions

[*Text*]

DEPARTMENT OF SUPPLY AND SERVICES—RENEWABLE CONTRACTS

Question No. 1,180—Mr. Clark (Rocky Mountain):

1. What are the names of the corporations and firms which have renewable purchase, service or construction contracts with the Department of Supply and Services that require Treasury Board approval?

2. What were the names of the corporations and firms which had purchase, service or construction contracts that were renewed over the past five years with the Department of Supply and Services and required Treasury Board approval?

3. What are the names of corporations and firms which have three year term or longer purchase, service or construction contracts with the Department of Supply and Services that required Treasury Board approval?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Similar information to that requested above was returned in answer to Question No. 1,741 on March 5, *Hansard*, Page No. 3,801, Sessional Paper No. 301-2/1,741.

CONSTRUCTION OF EXTENSION OF OTTAWA RIVER PARKWAY

Question No. 1,765—Mr. Baker (Grenville-Carleton):

1. On what date will construction commence for (a) the extension of the Ottawa River Parkway from its present western termination at Carling Avenue in the City of Ottawa to its proposed intersection with Woodroffe Avenue in the Township of Nepean (b) the further extension thereof from Woodroffe Avenue in the Township of Nepean to Merivale Road in the Township of Nepean (c) the further extension thereof from Merivale Road along its proposed route south of the Borden Farm area in the Township of Nepean to its intersection with Provincial Highway 16 (Prescott Highway) (d) the further extension thereof from the Prescott Highway as aforesaid to the Rideau River?

2. Have any lands for right-of-way been acquired by the National Capital Commission or any other agency or department for the purposes contemplated in Part 1?

3. What was the cost of the lands acquired as contemplated in Part 2?

4. Has any provision been made in the Estimates for 1975-1976 for the acquisition of lands required for right-of-way as set forth in Part 1 by any of the agencies or departments mentioned in Part 2?

5. Have any tenders been called for the construction of any part of the work contemplated in Part 1?

Hon. Barney Danson (Minister of State for Urban Affairs): In so far as the National Capital Commission is concerned: 1. (a), (b), (c) and (d)—Planning by the regional municipality of Ottawa-Carleton suggests that some of the rights-of-way acquired by the National Capital Commission for parkway purposes be used for arterial roads forming part of the regional road network. Without prejudice to the purposes for which these rights-of-way were acquired, NCC planning for the construction of parkways beyond those which already exist, or are currently under construction, is temporarily being held in abeyance pending consideration of proposals by the regional municipality of Ottawa-Carleton. No dates on which construction will commence have been established.

2. The National Capital Commission has acquired land for right-of-way.

3. $602,008.

4. No.

5. No.

Order Paper Questions

POSITIONS DESIGNATED AS ESSENTIAL SERVICES

Question No. 1,917—**Mr. Paproski:**

1. In 1974, how many positions were designated under essential services by the Treasury Board?

2. Was the basis of such designation limited to "safety and security" of the public or was provision made for services deemed essential in the public interest?

3. What types of positions have been designated under essential services at the present time?

4. In 1974 (a) how many work stoppages took place involving positions designated as essential (b) how many employees were involved (c) what was the total number of man hours lost?

5. In 1974, what was the total number of (a) man hours lost (b) employees involved due to strikes, stoppages and disputes in the Public Service?

6. In 1974 (a) how many requests were there for arbitration of Public Service disputes (b) how many involved services or positions designated as essential?

Hon. Jean Chrétien (President of the Treasury Board): 1. None. Section 79(1) of the Public Service Staff Relations Act specifies that employees to be designated must be agreed upon by the parties or determined by the Public Service Staff Relations Board where the parties have not agreed.

2. Not applicable. Section 79(1) of the Public Service Staff Relations Act specifies that only employees "whose duties consist in whole or in part of duties the performance of which at any particular time or after any specified period of time is or will be necessary in the interest of the safety or security of the public" may be designated.

3. None.

4. (a) None. (b) Not applicable. (c) Not applicable.

5. (a) 1,768,120 (approximately). (b) 39,050 (approximately).

6. (a) 13. (b) Not applicable. Bargaining units which have opted for the arbitration method of dispute resolution may not lawfully strike, therefore, there are no designated employees in these groups.

FRENCH LANGUAGE LESSONS

Question No. 1,923—**Mr. Cossitt:**

1. What is the total annual salary of Mr. Ivan Head of the Prime Minister's Office?

2. What was the total cost to taxpayers of French language lessons received by Mrs. Head?

3. (a) On what dates did Mrs. Head take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Prime Minister's Office and the Public Service Commission as follows: 1. $33,000-$42,000.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24(3) (Tabled January 22, 1975).

3. (a) Mrs. Ivan Head undertook language training under the arrangements in effect with l'Alliance Française during 1973-74. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

[Mr. Danson.]

ENGLISH LANGUAGE LESSONS

Question No. 1,924—**Mr. Cossitt:**

1. What is the total annual salary of Mr. P. Juneau of the Canadian Radio-Television Commission?

2. What was the total cost to taxpayers of English language lessons received by Mrs. Juneau?

3. (a) On what dates did Mrs. Juneau take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Communications and the Public Service Commission as follows: 1. $44,000-$54,000.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24(3) (Tabled January 22, 1975).

3. (a) Mrs. P. Juneau undertook English language training under the arrangements in effect with the Language Bureau during 1971-72. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

FRENCH LANGUAGE LESSONS

Question No. 1,927—**Mr. Cossitt:**

1. What is the total annual salary of Mr. G. W. Ainslie, Assistant Deputy Attorney General in the Department of Justice?

2. What was the total cost to taxpayers of French language lessons received by Mrs. Ainslie?

3. (a) On what dates did Mrs. Ainslie take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Justice and the Public Service Commission as Follows: 1. $27,400-$43,000.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24 (3) Tabled January 22, 1975.)

3. (a) Mrs. G. W. Ainslie undertook language training under the arrangements in effect with l'Alliance française during 1970-71 and 1971-72. Classes were normally held two times a week. Individual dates cannot be verified; (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

FRENCH LANGUAGE LESSONS

Question No. 1,928—**Mr. Cossitt:**

1. What is the total annual salary of Mr. A. C. Boughner, Assistant Deputy Postmaster General in the Post Office Department?

2. What was the total cost to taxpayers of French language lessons received by Mrs. Boughner?

3. (a) On what dates did Mrs. Boughner take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Post Office Department and the Public Service Commission as follows: 1. $29,000-$37,000.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24 (3) Tabled January 22, 1975)

3. (a) Mrs. A. C. Boughner undertook language training under the arrangements in effect with l'Alliance Française during 1970-71, 1971-72 and 1972-73. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

FRENCH LANGUAGE LESSONS

Question No. 1,929—**Mr. Cossitt:**

1. What is the total annual salary of Commissioners D. H. Jones, R. M. March and J. B. G. Thomson of the Canadian Transport Commission?

2. In each case, what was the total cost to taxpayers of French language lessons received by Mrs. Thomson, Mrs. March and Mrs. Jones?

3. (a) On what dates did Mrs. Thomson, Mrs. March and Mrs. Jones take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Canadian Transport Commission and the Public Service Commission as follows: 1. The salaries of Commissioners Jones, March and Thomson are within the range SX-2 ($29,000-$37,000); in addition, Commissioners Jones and Thomson, as Chairmen of Committees, receive an additional $3,500 per annum, under Order-in-Council authority.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24 (3) Tabled January 22, 1975)

3. (a) Mrs. Thomson registered but did not appear for course. Mrs. R. M. March undertook language training under the arrangements in effect with l'Alliance française during 1973-74. Mrs. D. H. Jones undertook language training under the arrangements in effect with l'Alliance française during 1971-72, 1972-73, 1973-74 and 1974-75. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year though the personnel division of the department or agency in which the candidate's husband is employed.

FRENCH LANGUAGE LESSONS

Question No. 1,931—**Mr. Cossitt:**

1. What is the total annual salary of Mr. L. D. Hudon, Deputy Secretary to the Cabinet and Mr. D. R. Stephens, Assistant Secretary to the Cabinet?

2. In each case, what was the total cost to taxpayers of French language lessons received by Mrs. Hudon and Mrs. Stephens?

3. (a) On what dates did Mrs. Hudon and Mrs. Stephens take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Privy Council Office and the Public Service Commission as follows: 1. Mr. Hudon, $38,000-$48,000; Mr. Stephens, $25,500-$32,500.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24 (3) Tabled January 22, 1975)

3. (a) Mrs. L. D. Hudon undertook language training under the arrangements in effect with l'Alliance française during 1970-71, 1971-72, 1972-73 and 1973-74. Mrs. D. R. Stephens undertook language training under the arrangements in effect with l'Alliance française during 1973-74 and 1974-75. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

DEPARTMENT OF SUPPLY AND SERVICES—INVENTORY LEVELS

Question No. 2,020—**Mr. Reynolds:**

What are the established guidelines for minimum safe inventory levels within the Department of Supply and Services' warehouses?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The point at which action is taken to increase inventory levels is based on anticipated usage over the time it will take the supplier to deliver the materiel to the department's warehouses. Due to variations in both the anticipated usage and delivery time, a safety stock is required in addition to the above to ensure that the majority of customer demands can be filled. In so far as DSS is concerned, a safety stock level of 28 days of anticipated sales based on historical usage data is maintained for each stocked item in the inventory.

FRENCH LANGUAGE LESSONS

Question No. 2,072—**Mr. Cossitt:**

1. What is the total annual salary of Mr. R. B. Bourne, Assistant Deputy Minister in charge of the Police and Security Planning and Analysis Group?

2. What was the total cost to taxpayers of French language lessons received by Mrs. R. B. Bourne?

3. (a) On what dates did Mrs. Bourne take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of the Solicitor General and the Public Service Commission as follows: 1. $29,000-$37,000.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24 (3) Tabled January 22, 1975)

3. (a) Mrs. R. H. Bourne undertook language training under the arrangements in effect with l'Alliance française during 1972-73, 1973-74 and 1974-75. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

Order Paper Questions

POSTAL CODE

Question No. 2,143—**Mr. Herbert:**

1. Has consideration been given by the Post Office Department to the use of the Japanese zip code system whereby the digits of the postal code must be written in boxes printed in the appropriate area?

2. Has consideration been given to the use of optical scanning devices that can read addresses and zip codes?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. This system was considered during design and implementation of the Canadian postal code and the associated mechanized processing system which were designed to avoid the extra cost and effort required of the mailer.

2. Optical reading equipment is now operational at Ottawa and is being procured for installation at other major centres.

TRANSFER OF PARKS CANADA OFFICE FROM CORNWALL

Question No. 2,187—**Mr. Cossitt:**

1. Is the Minister of Indian Affairs and Northern Development aware that his predecessor was described in the September 5, 1974 issue of the *Montreal Gazette* in an interview with journalist George Radwanski as "having resisted pressure to put a regional office of the Indian Affairs Department in Toronto, having put it instead in Cornwall"?

2. (a) What are all the reasons that this decision was reversed by the present Minister as contained in the answer to Question No. 1,266 (b) was pressure applied in this regard on the Minister or his Department and, if so (i) on what date (ii) by whom?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Yes.

2. (a) The office will not be relocated to Toronto but rather to a smaller centre closer to the agencies with whom we deal most frequently and more centrally located in the Province. At the time the office was originally created, it served both the provinces of Quebec and Ontario. With the creation of a separate Quebec Regional Office this is no longer the case. The relocation now proposed does not conflict with the previous statement on the subject. (b) No. The need to ultimately relocate was obvious when the Region was split into two separate operations.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

LIP PROJECTS—CAPE BRETON HIGHLANDS-CANSO

Question No. 60—**Mr. Cossitt:**

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $2,823,987 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Cape Breton Highlands-Canso, Nova Scotia (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

[Mr. Sharp.]

*INCOME REDISTRIBUTION

Question No. 1,475—**Mr. Herbert:**

Did the Minister of National Health and Welfare state that, in 1972, the top 20 per cent of Canadians received more of the wealth produced than they did in 1967 and that the bottom 20 per cent received less in 1972 than in 1967 and, if so, what measures are under consideration to augment the programmes of income redistribution so that the trend can be reversed?

Return tabled.

Mr. Fairweather: Mr. Speaker, I hesitate to do this, but would the parliamentary secretary note starred question 2,284 in my name? It has to do with a former parliamentary colleague, in the world sense, who is in jail in the Philippines. I hope that the government will soon respond to my request for action.

Mr. O'Sullivan: Mr. Speaker, I rise on a point of order. I should like to draw to the attention of the parliamentary secretary the fact that it is now over two months since starred questions 1,738 and 1,739 were placed on the order paper. In view of the very serious nature of the questions, I think all members of the House would want them answered as soon as possible.

Mr. Cossitt: Mr. Speaker, I wish to refer the parliamentary secretary to questions 1,686 and 1,687 in my name. The only reason I raise this point of order again is not because these questions have not been answered and they are two months overdue, but because the public service gave the answers publicly despite the fact that apparently they have not been given to parliament.

On February 18 I asked for details of the involvement of the president of CMHC, or of CMHC itself, in the construction of a swimming pool at 24 Sussex Drive. This information has been denied to the House, yet last Thursday, William Teron, president of CMHC, stated publicly, when asked by a newsman, the details of this matter. It seems to me to be an affront to parliament that when a member of the House asks a question, whether on this matter or any other, an answer is continually withheld from the House for a period of two months or more, and sometimes as long as six months, yet information is leaked outside the House.

I think I have more than a point of order; I have a question of privilege. I also suggest, with regard to question 1,686 which asks about the involvement of the Department of Energy, Mines and Resources in the same matter, that this information is also being withheld when it could easily be given. I ask the parliamentary secretary whether I could have some assurance that these questions will be answered forthwith.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Friday, April 25, consideration in committee of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade—Mr. Macdonald (Rosedale)—Mr. Penner in the chair.

The Deputy Chairman: When the committee rose on April 25, clauses 5, 35, 36, 52 as amended and 53 as amended were allowed to stand. The committee is now considering clause 60.

On clause 60—*Continuing offence.*

Mr. Baldwin: Mr. Chairman, I rise on a point of order with regard to the matters we are considering. There have been some discussions across the floor in committee and outside the committee with regard to clauses 35 and 52, and there has been some indication of willingness on our part as well as on the part of the minister to accept a form of amendment which would be agreeable to both sides. The minister might want to comment on that. If it is likely that some arrangement can be worked out, it would permit us to look at the rest of the bill in a more relaxed way, in a less jaundiced way. Also, it might well facilitate the passage of some of the clauses because if, in our view, it is likely that these amendments will be discussed in the committee, it would make us feel somewhat more comfortable about the rest of the bill.

Mr. Macdonald (Rosedale): Mr. Chairman, I would like to confirm that indeed there have been discussions about possible amendments to the two clauses with regard to the proclamation. I think it is fair to say that there is some agreement in principle involved here. What we have been doing is taking a look at the specific wording. The legal advisers of the Crown have looked at the wording, a text of which will be available a little later in the afternoon. I wonder if we might proceed with clause 60 and the following clauses, then return to the clauses that have been stood after the new wording has been circulated and agreement to it confirmed.

The Deputy Chairman: Is clause 60 agreed to?

Clause agreed to.

Clause 61 agreed to.

On clause 62—*Regulations.*

Mr. Macdonald (Rosedale): Mr. Chairman, I would like to suggest to the committee an amendment to clause 62, a copy of which was circulated previously. Clause 64 provides a regime with regard to the determination which, I am advised by my advisers, would be better adapted to meet the situation. Clause 62 would provide an alternate paragraph (d) which would be consistent with the clause as amended. My colleague, the President of the Privy Council, is moving the following amendment:

That Bill C-32 be amended by striking out lines 29 to 36, inclusive, on page 24 thereof and by substituting therefor the following:

"(d) respecting the approval by the board of prices paid to acquire gas from within its province of production for movement out of that province; and"

The President of the Privy Council has come back specifically because of his firm conviction about this amendment.

Mr. Sharp: I so move, Mr. Chairman.

● (1510)

Amendment (Mr. Sharp) agreed to.

Clause as amended agreed to.

On clause 63—*Conflict.*

Mr. Baldwin: Mr. Chairman, I would like to ask the minister a question about this clause, for my own satisfaction. The clause reads as follows:

In the event of a conflict between any price prescribed under this part and any price established under part IV of the National Energy Board Act, the prescribed price under this act prevails.

I assume that involves an admission that under the National Energy Board Act there is provision for fixing prices of petroleum or natural gas.

Mr. Macdonald (Rosedale): Yes, sir.

Mr. Baldwin: It might be useful in some court action later.

Clause agreed to.

On clause 64—*Distributing excess.*

Mr. Macdonald (Rosedale): Mr. Chairman, there is a rather lengthy amendment to this clause. It is put forward after some consultation, particularly with transmission companies. We think this amendment will provide a simpler regime for dealing with the question involved under this section.

Mr. Sharp moved:

That Bill C-32 be amended by striking out clause 64 on page 25 thereof and substituting therefor the following:

"64. (1) Where in any month gas that is purchased or otherwise acquired in or from its province of production is transported and resold by the purchaser thereof in any area or zone in Canada outside its province of production, or at any point on the international boundary of Canada, the purchaser shall, in respect of each such month, distribute to producers, in accordance with such regulations as the Governor in Council may make in that behalf, an amount equal to the excess of

(a) the total revenues received by the purchaser for the gas so resold in that month;

over

(b) the purchaser's cost of service, as determined by the Board, in respect of the gas so resold in that month, including the purchaser's cost of gas.

(2) Where in any month gas that is purchased or otherwise acquired in or from its province of production is transported from that province for delivery in any area or zone in Canada outside its province of production or at any point on the international boundary of Canada by a person other than its purchaser, the purchaser shall, in respect of each such month, distribute to producers, in accordance

with such regulations as the Governor in Council may make in that behalf, an amount equal to the excess of

(a) the total value, as determined by the Board, of the purchaser's gas delivered in that month in that area or zone outside its province of production or at that point on the international boundary of Canada;

over

(b) the purchaser's cost, as determined by the Board, in respect of the acquisition and transportation of that gas to its point of delivery in that month.

(3) For the purposes of this section, "cost of gas" shall be computed, if approved by the Board, by using prices payable at the wellhead to producers of gas or shall be computed by such other means as the Board may prescribe."

Mr. Baldwin: While I am sure that the President of the Privy Council has grasped in an instant the interpretation of this amendment, there may be some hon. members to whom it is not quite so plain. Would the minister be willing to explain the purpose behind the amendment?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. As indicated, believe it or not, from having read the terminology, the considered opinion is that this is a simpler mechanism for determining the flowback of certain moneys to the producer of gas. Clause 64(1) deals with the case in which the pipeline is the owner of the gas transported from the producer to the consuming province. Much of the gas transported by TransCanada PipeLines is in that category. Gas transported and sold in the consuming province is, of course, sold at the prescribed price. The total revenue is computed and from this is deducted the purchaser's cost of service as determined by the board. The difference is then distributed, in accordance with such regulations as the governor in council may make, among the producers.

The intention is that it prescribes prices more closely approximating commodity value, that is, the equivalent value of petroleum, to improve the return to producers and so provide a means for encouraging exploration and development of gas. The distribution will be made in the manner best calculated to achieve this, which would not necessarily be on a pro rata basis.

Clause 64(2) provides for the case in which the pipeline, as opposed to being the owners, is only a carrier of the gas. A similar calculation is carried out *mutatis mutandis* and a similar flowback would occur.

In Clause 64(3) the expression "cost of gas" is defined in terms of prices payable at the wellhead to producers of gas or by such other means as the board may prescribe. This is necessary to cover the situation for a company like Westcoast Transmission. Westcoast Transmission does not itself buy from producers. The purchases are made by the British Columbia Petroleum Corporation which, having bought from the producers, immediately transfers it to Westcoast Transmission which in turn pays BCPC according to a formula by which the price is determined *ex post facto*. It is necessary for purposes of calculation to use the price paid by BCPC and not the calculated price paid by Westcoast.

I hope that is helpful as an explanation. It is obviously a rather complicated regime.

Mr. Baldwin: I have the general idea.

Amendment (Mr. Sharp) agreed to.

[Mr. Sharp.]

Clause as amended agreed to.

Clauses 65 to 69 inclusive agreed to.

On clause 70—*Reports.*

Mr. Douglas (Nanaimo-Cowichan-The Islands): This may not be the best place to deal with the matter, and if the minister prefers to leave it until his report to the energy committee, I would be perfectly satisfied. But since we are dealing with cost compensation in part IV of the bill, I wonder if the minister would like to make any statement with respect to the basis upon which these cost compensation payments have been made. Some newspaper reports have indicated that in the past 12 months there has been a switch by the oil importing companies from Venezuelan oil to Middle East oil.

Prior to the cost compensation program coming into effect, my recollection is that about 60 per cent of our imported oil came from Venezuela and about 40 per cent from the Middle East and Africa, and now it has been reversed. Reports indicate that the reason for this switch is that it is financially advantageous for an oil company to bring in Middle East oil, to the extent of some 95 cents a barrel, and sell their Venezuelan oil in another market. One day in the question period I asked the minister if he would look into the matter, and I am sure he has. I wonder if the minister wants to comment on the steps that are being taken to plug this loophole—if there is a loophole—or to leave it until his report to the energy committee? He may want to deal with it at that time, but we ought to have an explanation reasonably soon.

Mr. Macdonald (Rosedale): Perhaps I could do both. The energy supplies allocation board will be before the committee on Thursday morning and it might be appropriate then to go into this matter at greater length. But perhaps I could make some comments at this point. This has been a matter of some concern in the administration of the provisions of the compensation program. It will be recalled that the program was founded on the oil price costs as they were in November, 1973. The purpose was really to compensate for increases beyond the prices that were established as of that date. There was an adjustment of 90 cents per barrel to reflect the April 1, 1974, Canadian crude oil price increase, the price of imported oil having previously risen by some $2 a barrel while western prices were frozen. As of April 1, 1974, the prices domestically came into balance.

● (1520)

It is quite true, as was pointed out in a number of press stories and in the House, that at the moment Middle East oil does receive more compensation and is cheaper in relation to Venezuelan oil after compensation. This reflects the fact that at the time the November, 1973, provision went into effect, Venezuelan oil was actually ahead in price. Prices were frozen at that time for the base, so compensation has been laid on top of that difference. That reflects the 1973 competitive relationship which has been embodied in the compensation program.

I think it is fair to say that it is now indicated to us that there should be a change to try to make the system neutral as between Venezuelan and Middle East oil. Indeed, the officials of my department and of the Energy Supplies

Allocation Board have been attempting to arrive at some amendment in the regulations for the purpose of making the system neutral with respect to the source of oil.

The judgment I am given from the department is that the differential has not so far led to a switch from Venezuelan to eastern hemisphere oil greater than that which would have occurred without the compensation to them. That is not to say that a switch has not occurred from Venezuelan to Middle East oil but, rather, that a switch had been anticipated from Venezuelan to Middle East if the events of a year or so ago had not occurred and if the compensation program had not occurred.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In the minister's opinion, is that switch due to a lessening of supply in Venezuelan crude? Is that the reason for the switch?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. It is really a question of production cutbacks in that country which have occurred primarily because of conservation practices by the Venezuelan government. I think one could argue, however, that some of the more recent cutbacks have reflected the general OPEC policy of the desirability of cutting back production.

The amount of Venezuelan oil that is available has declined and Canadian imports are down proportionately. As I have indicated, we are working on this program that we hope will secure a proper balance of equity as between companies and overseas supply sources which could be implemented with minimal impact on the consumer of the product refined from imported crude oil. The Energy Supplies Allocation Board is the primary agency for this purpose. Rather than going further into this at the moment, I think it might be useful for members of the committee to address questions to members of the board, when they are before the committee on Thursday, regarding some of the complicated problems involved in moving from the existing system to what we hope is a more equitable one.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That will be satisfactory, Mr. Chairman.

The Deputy Chairman: Shall clause 70 carry?

Clause agreed to.

Clause 71 agreed to.

On clause 72—*Application.*

Mr. Macdonald (Rosedale): Mr. Chairman, there is an amendment to this clause as well. The amendment would provide for the insertion of the words "in Canada" to qualify the importation of "petroleum into Canada for processing, consumption, sale or other use". This limits compensation to fuel for consumption in Canada and follows both the practice under the import compensation program and the actual wording of Bill C-18. Perhaps the Minister of Communications would move that one. I have another one as well.

Mr. Pelletier (Hochelaga) moved:

That Bill C-32 be amended by striking out line 34 on page 27 thereof and substituting therefor the following:

"other use in Canada is eligible under this division to"

The Deputy Chairman: Shall the amendment to clause 72 carry?

Amendment (Mr. Pelletier, Hochelaga) agreed to.

Mr. Macdonald (Rosedale): Mr. Chairman, I have a further amendment to clause 72(2) which is required merely because of the time that has elapsed since the bill came before the House. The amendment is in the following terms:

That Bill C-32 be amended by striking out line 10 on page 28 thereof and by substituting therefor the following:

"lendar year 1974 and the first half of the calendar year 1975, and has or have given"

Again, the Minister of Communications would move that one.

Mr. Pelletier (Hochelaga): I so move.

Amendment (Mr. Pelletier, Hochelaga) agreed to.

Clause as amended agreed to.

Clause 73 agreed to.

On clause 74—*Time of payment of compensation.*

Mr. Macdonald (Rosedale): Mr. Chairman, I have an amendment to clause 74 further to the one that was previously circulated. It will cover both the substance of the previous amendment and a further amendment. It is as follows:

That Bill C-32 be amended by:

(a) striking out line 35 on page 28 thereof and by substituting therefor the following:

"Canada before the occurrence of the later";

(b) striking out lines 39 to 44, inclusive on page 28 thereof and by substituting therefor the following:

"leum under the purchase arrangements; and"; and

(c) striking out line 1 on page 29 thereof and by substituting therefor the following:

"(b) the date the petroleum was delivered,"

Mr. Pelletier (Hochelaga): I so move.

Mr. Macdonald (Rosedale): I am sure the significance of the amendment will immediately strike all members.

Amendment (Mr. Pelletier, Hochelaga) agreed to.

Clause as amended agreed to.

Clauses 75 and 76 agreed to.

On clause 77—*Regulations.*

Mr. Macdonald (Rosedale): Mr. Chairman, I have an amendment which would allow the designation of derivatives of both crude oil and natural gasoline or condensates as petroleum products, much along the lines noted earlier with respect to Canadian source crude in the context of the oil export charge. As hon. members will recall, there are some circumstances in which liquid petroleums are produced in connection with natural gas and used as feedstock. This would permit compensation to be paid for this purpose.

The Minister of Communications, who has much concern about this matter, proposes an amendment as follows:

● (1530)

That Bill C-32 be amended by striking out lines 38 to 42, inclusive, on page 30 thereof and by substituting therefor the following:

"(k) designating any hydrocarbon or mixture of hydrocarbons resulting from the processing or refining of hydrocarbons described in paragraph (a) or (b) of the"

Mr. Pelletier (Hochelaga): I so move, Mr. Chairman.

Amendment (Mr. Pelletier, Hochelaga) agreed to.

Clause as amended agreed to.

On clause 78—*Transitional.*

Mr. Macdonald (Rosedale): Mr. Chairman, clause 78 provides statutory authority for compensation payments which are made or authorized by the imported oil products compensation regulations made pursuant to vote 11B of Appropriation Act No. 1, 1974, which applied between January 1 and March 31, 1974; secondly, for the petroleum products compensation program guidelines which were made for the purpose of Governor General's special warrants for the period, April 1 to October 31, 1974; and for the oil import compensation regulations made pursuant to vote 52 of Appropriation Act No. 3, 1974, for imports on or after November 1, 1974.

One of the more important provisions of the bill, which by virtue of the deeming provisions of clause 78(1) and (2) will now apply to earlier compensation, is section 76 which permits the recovery or set-off of overpayment or non-entitled payment. That is to say, if we find that an importer has received an overpayment or a payment to which he is not entitled, the administration will be entitled to recover such payment or set it off against any future payment.

Mr. Baldwin: Is the position with respect to Governor General's special warrants the same as the position with respect to other payments under the act?

Mr. Macdonald (Rosedale): Yes. I have circulated an amendment to the committee. The Minister of Communications moves:

That Bill C-32 be amended by:

(a) Striking out lines 35 and 36 on page 31 thereof and by substituting therefor the following:

"*Act No. 3, 1974*, Statutes of Canada 1974-75;

(c) pursuant to Energy Supplies Allocation Board vote No. 53c of *Appropriation Act No. 5, 1974*, Statutes of Canada 1974-75; or

(d) pursuant to Energy Supplies Allocation Board vote No. 65 of *Appropriation Act No. 2, 1975*, Statutes of Canada 1974-75"

This is included for the purposes of catching up with elapsed time, as there are now specific statutory references to these particular provisions. I continue reading the amendment:

(b) striking out line 1 on page 32 thereof and by substituting therefore the following:

"on the day immediately preceding the commencement of this part that is delivered to"; and

(c) Striking out lines 9 and 10 on page 32 thereof and by substituting therefor the following:

"tion authorized to be made before that day."

Mr. Pelletier (Hochelaga): I so move.

[Mr. Macdonald (Rosedale).]

Mr. Gillies: Mr. Chairman, may I ask a question along the lines of one asked earlier by the hon. member for Nanaimo-Cowichan-The Islands? If it were discovered—I am not suggesting this has been done—that because of changes in the conditions under which oil is imported from abroad, some organizations had taken advantage of the allocation situation, which is something we will consider in detail next Thursday morning, would this provision allow the recapture for the people of Canada of any overpayments made under those circumstances?

Mr. Macdonald (Rosedale): Mr. Chairman, the answer in general terms is yes. If there were found to be an improper diversion of some kind, or if someone had taken advantage of the system, there would be authority to claim back.

Amendment (Mr. Pelletier, Hochelaga) agreed to.

Clause as amended agreed to.

On clause 79—*1st January, 1975, to 31st March, 1975.*

Mr. Macdonald (Rosedale): Mr. Chairman, the cornucopia of amendments has produced another unheralded amendment. I am advised that this amendment is necessary because of the effluxion of time since the introduction of the bill. The Minister of Communications brought it to my attention.

Mr. Pelletier (Hochelaga): Mr. Chairman, I move:

That Bill C-32 be amended by:

(a) striking out subclauses 79(1) and 79(2) on page 32 thereof;

(b) renumbering subclause 79(3) on page 32 thereof as clause 79; and

(c) striking out the figures "1974-75" on line 22 on page 32 thereof and substituting therefor the figures "1975-76".

Amendment (Mr. Pelletier, Hochelaga) agreed to.

Clause as amended agreed to.

Clauses 80 to 86 inclusive agreed to.

On clause 87—*Regulations.*

Mr. Macdonald (Rosedale): Mr. Chairman, the amendment to be proposed is similar to previous amendments. It is to include derivatives, that is to say, crude oil, natural gas as condensates in the compensation program. The Minister of Communications will also move this amendment.

Mr. Pelletier (Hochelaga): Mr. Chairman, I move:

That Bill C-32 be amended by striking out lines 19 to 25, inclusive, on page 35 thereof and by substituting therefor the following:

"(g) designating any hydrocarbon or mixture of hydrocarbons resulting from the processing or refining of hydrocarbons described in paragraph (a) or (b) of the definition "petroleum" in section 80, as a petroleum product; and"

Amendment (Mr. Pelletier, Hochelaga) agreed to.

Clause as amended agreed to.

Clauses 88 to 94 inclusive agreed to.

On clause 95—*Commencement.*

Mr. Baldwin: Mr. Chairman, I wish to move an amendment, not to amend clause 95 but to add another clause, clause 96. As I have given notice of my intention, perhaps the committee could carry clause 95 and then consider my amendment.

Clause agreed to.

The Deputy Chairman: The hon. member for Peace River is recognized on proposed clause 96.

Mr. Baldwin: Mr. Chairman, I am afraid the Minister of Communications has left the chamber. I was hoping he might move my amendment. However, I suppose I must move it myself. I am not going to go back over the ground that has already been covered. Hon. members ought not to have any doubts concerning the validity of this bill. I have read into the record extracts of some decisions of the Supreme Court and the Privy Council and I have given my interpretation of them. For these reasons, before the bill leaves this place there should be some reference to these matters. I therefore move:

● (1540)

That the bill be amended by adding thereto, immediately following clause 95 on page 39, the following:

"*Reference to Supreme Court* 96. (1) Forthwith after this Act is assented to in Her Majesty's name, the Governor in Council, under section 55 of the *Supreme Court Act*, shall refer all questions of law and fact concerning the constitutionality of this Act and every provision thereof other than this section to the Supreme Court.

(2) Until the Supreme Court has certified to the Governor in Council its opinion upon each such question, no provision of this Act, other than this section, shall come into force at the time of commencement provided therefor under this Act or the *Interpretation Act* and then only to the extent, if any, such provision is in the opinion of the Court within the legislative authority of the Parliament of Canada.

(3) The attorney general of each province shall be notified of the hearing under this section in order that he may be heard if he thinks fit."

Mr. Macdonald (Rosedale): Mr. Chairman, I would counsel the committee against adopting the amendment, principally on the basis that has been argued all the way through the debate on this bill, that in the judgment of the government and, perhaps more significantly, the legal advisers of the government, the provisions of Bill C-32 are entirely within the jurisdiction of the Parliament of Canada. In their opinion, no doubt exists with regard to this jurisdictional question. On this basis, it does not seem appropriate to delay the matter for the time of the Supreme Court reference. Indeed, if there was a delay it might be impossible for the government to act, if there was any threat of a substantial increase in the prices of oil or natural gas.

I should make it clear to the committee that the fact we do not accept this amendment does not in any sense make it any less possible from a legal standpoint for a private person to raise a question with regard to the statute. It would not, of course, oust the jurisdiction of the Supreme Court in any way. We feel there is a legal basis under the constitution for the action we are proposing to parliament. For that reason, it does not seem to be necessary to seek this particular amendment.

Mr. Baldwin: Mr. Chairman, I have only one word on the question of timing. If this country can survive this government for a year and a half or an energy crisis, it can survive a few more months waiting for a Supreme Court decision.

Mr. Macdonald (Rosedale): Thank you for those kind words.

The Deputy Chairman: Is it the pleasure of the committee to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Amendment (Mr. Baldwin) negatived: Yeas, 11; nays, 30.

The Deputy Chairman: By agreement, the committee will revert to clause 35 of Bill C-32.

On clause 35—*Proclamation.*

Mr. Macdonald (Rosedale): Mr. Chairman, as I mentioned to the committee earlier, there have been some discussions about a possible amendment to this clause. I think we might have a form of words which will be found generally acceptable. The essence is that while the bill is to be proclaimed as provided under clause 35, there would be added to the clause, by way of amendment, five subclauses. The amendment is as follows:

That Bill C-32 be amended

(a) by renumbering clause 35 as subclause 35(1); and

(b) by adding immediately after the renumbered subclause 35(1) the following:

"(2) A proclamation under subsection (1) shall be laid before the House of Commons not later than fifteen days after its issue, or, if Parliament is not then sitting, within the first fifteen days next thereafter that Parliament is sitting.

(3) Where a proclamation has been laid before the House of Commons pursuant to subsection (2), a notice of motion in the House of Commons signed by ten members thereof and made in accordance with the rules of that House within seven days of the day the proclamation was laid before that House praying that the proclamation be revoked, shall be debated in that House at the first convenient opportunity within the four sitting days next after the day the motion in that House was made.

(4) At fifteen minutes before the expiry of the time provided for government business on the second sitting day following the commencement of consideration of a motion of which notice was given under subsection (3), or at such earlier time as the House of Commons is ready for the question, the Speaker shall put the question forthwith without further debate.

(5) If the House of Commons resolves that the proclamation be revoked, this Division, except this section, shall cease to be in force with effect forthwith but without prejudice to the previous operation of this Division or anything duly done or suffered thereunder or any offence committed or any punishment incurred thereunder and without prejudice to the making of a further proclamation of a like nature to bring this Division into force."

In other words, if for a number of months the proclamation were in operation and subsequently ceased to be operative, any legal rights or obligations created in the interval would not be interfered with thereafter. This division of this part would be brought to an end. I would like to ask the Minister of Labour to move, on my behalf, this amendment to clause 35.

Mr. Munro (Hamilton East): I so move.

Mr. Baldwin: Mr. Chairman, I have one question. We had some discussion about this question when dealing with another bill. Subclause (4) reads:

At fifteen minutes before the expiry of the time provided for government business on the second sitting day following the commencement of consideration—

I would like it clear in my mind that this means the second sitting day must immediately follow the first day, and within a period of four days. It would not be competent for the government to initiate such a debate and then put it off for six months. Is it the intention that the debate must be concluded forthwith on the second sitting day following the commencement of consideration? If there is any doubt, I would like the word "consecutive" or some such word put in there. It is not that I do not trust the minister.

Mr. Macdonald (Rosedale): Mr. Chairman, it is certainly the intention that we have a two-day debate, or two days back to back. No other item of government business would be called in those two days in between any part of the motion.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, I think the amendment is a decided improvement. It will mean that if the government decides to use the mandatory powers it has under clause 36 by virtue of the fact it has not been able to reach an agreement with the producing provinces, the government will be required to file a notice of its proclamation. If ten members wanted a debate, there would be a two-day debate. I think that is a good idea. If the government decides to use mandatory powers to set the price of a commodity as important to the economy as oil and, later, gas under clause 52, there ought to be some opportunity given for the House to express an opinion. Subclause (5) reads:

● (1550)

If the House of Commons resolves that the proclamation be revoked, this division, except this section, shall cease to be in force with effect forthwith but without prejudice to the previous operation of this division or anything duly done or suffered thereunder or any offence committed or any punishment incurred thereunder and without prejudice to the making of a further proclamation of a like nature to bring this division into force.

What about any future application of this division? Let us assume the government brings down a proclamation setting the price at $8.50 and that this proposition is defeated, the general feeling being that it is too high, whereupon the government decides to bring in a new proclamation setting the price at $7.50. Would that still be within the powers of the legislation, should this division have been annulled by virtue of the fact that the proclamation was negatived?

Mr. Macdonald (Rosedale): I must say the hon. member has raised a valid point. In effect, the division would have been in operation for a certain period of time, but it would be annulled from that point onward. Since the clause continues to operate, including the provision for proclamation, there could be a subsequent process in this regard which would, of course, then be subject to a further parliamentary decision.

Mr. Baldwin: That is how I understand it.

[Mr. Munro (Hamilton East).]

Amendment (Mr. Munro, Hamilton East) agreed to.

Clause as amended agreed to.

The Deputy Chairman: Is it the wish of the committee to revert now to clause 5 which was allowed to stand?

Some hon. Members: Agreed.

The Deputy Chairman: Shall clause 5 carry?

Clause 5 agreed to.

The Deputy Chairman: Is it the wish of the committee to revert to clause 36 which was allowed to stand?

Some hon. Members: Agreed.

The Deputy Chairman: Shall clause 36 carry?

Mr. Baldwin: On division.

Clause 36 agreed to.

The Deputy Chairman: Is it the wish of the committee to return to clause 52 as amended?

Some hon. Members: Agreed.

On clause 52—*Where no price agreement effective.*

Mr. Macdonald (Rosedale): Mr. Chairman, I should like to suggest to the committee that an amendment be made here of the same kind as we have just made with respect to clause 35, namely, an amendment to make it possible for the House, provided ten members wish to do so, to review any such proclamation within a stipulated period of time. The amendment is in substantially the same terms as the amendment to clause 35, though there are some slight changes in the wording. My colleague the Minister of Labour will move:

That Bill C-32 be amended

(a) by adding immediately after the renumbered subclause 52(2), the following:

(3) A proclamation under subsection (2) shall be laid before the House of Commons not later than 15 days after its issue, or, if Parliament is not then sitting, within the first 15 days next thereafter that Parliament is sitting.

(4) Where a proclamation has been laid before the House of Commons pursuant to subsection (3), a notice of motion in the House of Commons signed by ten members thereof and made in accordance with the rules of that House within seven days of the day the proclamation was laid before that House praying that the proclamation be revoked, shall be debated in that House at the first convenient opportunity within the four sitting days next after the day the motion in that House was made.

(5) At 15 minutes before the expiry of the time provided for government business on the second sitting day following the commencement of consideration of a motion of which notice was given under subsection (4), or at such earlier time as the House of Commons is ready for the question, the Speaker shall put the question forthwith without further debate.

(6) If the House of Commons resolves that the proclamation be revoked, this division, except this section, shall cease to be in force with effect forthwith but without prejudice to the previous operation of this division or anything duly done or suffered thereunder or any offence committed or any punishment incurred thereunder and without prejudice to the making of a further proclamation of a like nature to bring this division into force.

Mr. Munro (Hamilton East): I so move.

The Deputy Chairman: Shall the further amendment to clause 52 carry?

Amendment (Mr. Munro, Hamilton East) agreed to.

The Deputy Chairman: Shall clause 52 as amended carry?

Mr. Baldwin: On division.

Clause as amended agreed to.

The Deputy Chairman: The committee will now return to the final clause, clause 53, as amended. Shall clause 53 as amended carry?

Clause 53 as amended agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Penner): When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, even those of us who favour this bill must face the fact that a great many amendments have been made to it, and in all fairness to the operation of this House I believe we should see the bill in its reprinted form before third reading.

The Acting Speaker (Mr. Penner): At the next sitting of the House, then.

* * *

OCEAN DUMPING CONTROL ACT

MEASURE TO PROVIDE FOR CONTROL OF DUMPING SUBSTANCES INTO THE OCEAN AND TO ESTABLISH A BOARD OF REVIEW

The House resumed, from Tuesday, April 22, consideration of the motion of Mr. Sharp (for the Minister of the Environment) that Bill C-37, to provide for the control of dumping of waste and other substances in the ocean, be read the second time and referred to the standing Committee on Fisheries and Forestry.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, while my voice holds out I propose to make a few further comments on this bill without in any way wishing to hold up its passage.

As I mentioned in the course of the debate which took place on April 22, this is legislation for which we have been waiting. It is good legislation. However, there are just a few comments that need to be made about the proposal. I know, for example, that the United States Congress considered a similar measure more than a year ago, in March, 1974. Why have we had to wait so long? The legislation has to do with an act of a United Nations organization, the final act being concluded in London in 1972. Therefore, I think it is appropriate that we ask ourselves here and now why it has taken 2½ years to implement this enabling legislation. However, it is with us

now; let us pursue it, make our comments on it and get it into committee.

● (1600)

During question period today I raised a question with the Minister of the Environment (Mrs. Sauvé) about the stock of clean-up equipment in the Strait of Juan de Fuca and off the coast of British Columbia. I asked the minister whether she was satisfied with the amount of material in stock and available. I suppose I should not have been surprised by her answer because, after all, she has to be satisfied with, and uncritical of, the work that goes on in her department; but I feel we should push more forcefully for this clean-up material.

In a starred question which I placed on the order paper in February, I asked about the stock of clean-up equipment in this particular area which right now is threatened with spills. There have been spills at Cherry Point. Indeed, my colleague for Vancouver South (Mr. Fraser) asked a question on Friday about the financial responsibility for a spill that occurred there a year ago. We have had spills further north in the area of my hon. friend from Comox-Alberni (Mr. Anderson) who is also concerned about these matters. If I got him outside the House, I fancy he would not be satisfied with the answer to the question which I put on the order paper and which is recorded. Although it was a starred question, it was asked to be reported as an order for return.

I find that in this whole area, through which pass hundreds of thousands of tons of oil each year, we have six skimmers that are designed to lick off the surface any oil that has happened to escape from a ship. There is no stock of absorbent material nearby, though we were assured in the answer that was tabled on March 12, 1975, that the commercial enterprises in the area are holding sufficient inventory. The reply is completely inadequate. The stock is not there; there is not sufficient material to contain a major spill in the area, should it occur in the near future.

Another reply that I received from the minister today upset me. The minister seemed to be satisfied with a decision to offload oil in Port Angeles to avoid a spill in the Strait of Juan de Fuca. I suggest that the minister take a look at a geography book; she would then realize that Port Angeles is at the southeastward end of the strait—away inland from the sea. You have to go through the Strait of Juan de Fuca to get to Port Angeles; so how, by offloading at Port Angeles, you prevent a spill in the Strait of Juan de Fuca I am at a complete loss to understand.

Another matter I want to take up with the minister in a question, but which I will record here, is this: Over the weekend a number of my colleagues from all sides of the House attended a meeting of the Canada-United States Interparliamentary Group in Quebec City to discuss the problems confronting our two nations. One problem raised was this very matter of a tanker route into the Strait of Juan de Fuca and on into the Strait of Georgia. As all hon. members know, I have been very anxious to keep these ships out at sea.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): I thank hon. members for their support. I shall go on urging this. However, this notion about Port Angeles was given a new and dangerous twist at this meeting, one that I had not known about before and which I want all hon. members of the House to know about. One of the representatives in the American House of Representatives, a member from the state of Washington who is responding in our exchange of views on this question, told me that the offloading facilities that are being proposed for the state of Washington in Port Angeles are to be built only in the event that the facilities at the Cherry Point refinery are increased. Meanwhile, all the oil that the present refinery capacity at Cherry Point can deal with that cannot come overland through the Trans-Mountain pipeline will be brought there by sea; so that we will have ships of Panamanian registry, Liberian registry, a lot of them crocks, coming down the Strait of Juan de Fuca and going up Rosario Strait to feed the refinery at Cherry Point. This is going to continue even when the new United States ships are built.

If the decision is taken—and it is a big "if"—to increase the refining capacity of Cherry Point, new facilities at Port Angeles will be constructed so ships can offload and the oil pipelined from there to the refineries at Cherry Point. I do not think that is satisfactory. I do not know whether the minister has been hoodwinked. Perhaps she has; perhaps all the facts have not been brought out during the course of these negotiations. In any event, I hope she will inquire more deeply into this matter and get it squared away. I hope I am wrong, but this was the clear, straightforward impression that I got from the representative of the House of Representatives last weekend.

The minister also indicated that she was happy about improvement of the guidance facilities being developed by the Minister of Transport (Mr. Marchand), and I think that is good. There is a lot more to be done in this area. We should have a starboard in-starboard out system in the straits so we can avoid head-on collisions between ordinary merchantmen. We should keep the tankers out and ordinary merchantmen should be made subject to a guidance system. One does not exist at the moment but one is, happily, in process of being developed. I hope the minister will urge the Minister of Transport to further this particular enterprise.

At page 5099 of *Hansard* I had something to say about definitions and the competence Canada would have under this law to control, regulate and prevent dumping. I have to use those words because some dumping is permitted under licence. I notice that, basically, page 3 of the bill concerns the territorial seas of Canada, the territorial seas 12 miles off the base line and the internal waters of Canada other than inland waters with the inland waters being defined as waters that are not internal waters. It is very confusing wording, but we must accept it.

● (1610)

One other term cropped up recently which has me puzzled. I am very pleased to see the minister appear for the continuation of this debate. I received a reply, I believe from the Solicitor General (Mr. Allmand), when we were talking about the strange saga of the ship *Answer* as it zigzagged its way through the ice from Montreal reaching for the high seas to avoid capture. This took place in February. Part of the time the RCMP got close, then backed off, and in fact the RCMP went on board and were taken off because there was some question whether the ship was in Canadian waters. I do not believe, and I am sure from the look on the minister's face that she could not believe, it was outside Canadian waters. The term used in that particular instance was "historic waters". This is a good term, but I do not think it has much meaning in law. I think Canadian territorial seas or Canadian territorial waters, and the writ of Canadian law, runs out the St. Lawrence to the straight line, or 12 miles beyond the straight line, joining the southeastern tip of Newfoundland and the tip of Nova Scotia, with the exclusion of one little, strange anomaly off the coast of Newfoundland which centres at Saint Pierre and Miquelon. Those are Canadian territorial waters. This, again, is water within which this dumping legislation will apply.

But I ask myself why there is no specific provision in this bill to extend the jurisdiction into that area which Canada may very well be assigned, or claim—I am not sure which—as a result of the Law of the Sea Conference. In the 188 miles beyond the 12 miles, I hope Canada will have jurisdiction over matters of pollution. I hope that somewhere is this bill there is provision for the extension of these regulations into that area. I suspect there is; perhaps it is cloaked in some sort of vague terminology. I think this provision is probably in the bill, and if it is not I am sure the minister will want to make certain it is put in, because I am as satisfied as I can be that the Minister of the Environment is as keen as I am about this particular law and in ensuring that the regulations under which it will operate will have as broad an application as possible within national and international law in respect of the waters off Canada's shores.

The penalties are mentioned on page 10 of the bill. I think they are good; they are stiff penalties and I like them. They deserve consideration. Perhaps we ought to increase them to make it quite clear that Canada is serious when it imposes regulations governing the dumping of wastes in the territorial seas or any other part of Canada's waters over which Canada has jurisdiction. A fine of $100,000 is the penalty for an offence involving a substance specified in schedule I. A fine of $75,000 is the penalty where the offence involves a substance specified in schedule II. Then there is a fine of $50,000 where the offence involves any substance not specified in schedules I or II.

When speaking of dumping there is another aspect we should look into: this was discussed at Quebec. I refer to sluicing out the tanks of tankers once they have off loaded their cargo. The amount of oil which clings to the sides of the tanks inside a tanker varies, naturally, according to the viscosity of the product being carried. If it should be heavy oil, of course more will be left on the sides of the tanks and on the bottom. If it should be a volatile product, such as one of the refined products, it will probably disappear or there will be very little left.

The tankers involved in international trade which bring oil to our ports must be cleaned. If accounts are to be believed, as much as 2,000 tons of unrefined product can be left behind by a 200,000-ton tanker. This is a great deal of

oil. In these energy-poor days, 2,000 tons of oil is worthy of being saved.

Coming as you do, Mr. Speaker, from an inland constituency, you may not be aware that when tankers offload, go to sea and clean out their tanks, the 2,000 tons goes into the sea, whether it be 2,000 tons of petroleum or of crude oil. These are matters that were mentioned by Thor Heyderdahl. He brought this to our attention years ago, just as Rachel Carson did in her book "The Silent Sea". We are getting close to having a silent sea these days.

Mr. Macdonald (Rosedale): It is "Silent Spring".

Mr. Munro (Esquimalt-Saanich): We cannot afford to have the resources of our seas diminished through lack of effort on our part. In my opinion, the sluicing of tankers will have to be arranged at the time of offloading, so that the material will be dumped into a holding or settling tank, the waste recovered, the water used to wash down the walls of the tanks filtered, cleaned and put into the sea as clean water. Not only would we in this way save another 2,000 tons, but we would be preserving the resources of the sea, protecting them from contamination and related dangers which are threatening them.

In my earlier contribution to this debate I think I mentioned some of my recent reading, including the book by Noel Mostert entitled "Super Ship". I cannot speak too highly of that book. It is a frightening and an awakening book. Those of us who are concerned about the world environment and our coastal environment should read it. It presents between its covers a new idea of the dangers and threats which these huge new tankers bring to our seas. It is unbelievable that ships of this size, weight and cargo-carrying capacity should be powered by a single screw. Their manoeuvrability is obviously limited for this reason; their ability to pull up is limited; the momentum that they have once they are under way is almost beyond the calculation of man. These are deep-draught vessels; they do not respond in the same way normal ships do to the buoyancy of the water. Most of an ordinary ship is above water, but most of a tanker is well below water; one sees very little of it. They do not ride out the waves as does a passenger liner.

● (1620)

In addition to all the other things that this bill will do, I hope the minister will ensure that proper rules are enforced to allow the admission of ships in international trade into our ports. She will have to involve the Minister of Transport in this. These ships must be properly built and properly crewed; they must be properly equipped and properly flagged, because one of the problems confronting us in this bill—as I am sure the minister recognizes—is the legal pursuit of the offender. It is the flag state that is responsible. There is one recourse. If the offender happens to belong to a flag line, when the next member of that line comes into your port you can arrest the ship and charge the company by holding it. But if it is an ordinary tramp that makes one call and then is off to the South Seas and you never see it again, there is very little chance of arresting the offender. So flags of convenience have become flags of great inconvenience in these days, and I would like to see them run out of our waters so that they will not endanger them.

An hon. Member: Hear, hear!

Mr. Munro (Esquimalt-Saanich): There are one or two further comments that I should like to make in conclusion. On page 15 of the bill I notice a most extraordinary provision in clause 20 which reads:

> The minister may designate any person as an inspector or analyst for the purposes of this act.

I thought that all defeated Liberal candidates had been found employment. Here is a suggestion that if there are some around, the minister is planning to have them named as inspectors or analysts. Surely some qualifications should be required for inspectors or analysts other than "any person". We have people who have been in the pilotage service on our coasts. They would be appropriate persons for these positions. Let us not have "any person", please. I think we might ask the minister to amend this bill, or perhaps we could bring in an amendment when we come to the committee stage, suggesting that it not be just "any person" but that qualified persons shall be nominated. I think we must be more specific in this respect.

On page 22 of the bill reference is made to regulations. Here again, as is so often the case, we see that the governor in council may make regulations for carrying out, for prescribing the form or for specifying the information required, etc. Since these regulations need not be incorporated in the act, surely another schedule to the bill would be appropriate in which the minima and maxima criteria might be listed for the regulations that will flow from this legislation. We have seen it in a number of committees. I remember that we were trying to obtain a draft of the regulations governing the use of small airports. I am sure they were ready, but we were not allowed to see them. Here we need to see a draft of the criteria that will be used in drawing up these regulations.

In the broadest terms, although I would like to say something about the international act, of which I managed to get a copy, we agree that this is legislation which should be on the statute books. We do not propose to delay it unduly, but merely to comment upon it and see that it gets to committee.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, before this bill is sent to committee I want to say a few words first to congratulate the minister for introducing it.

This bill has been expected and overdue for several years. Since I have been sitting in this House there has been talk of setting up an environment monitoring agency, and the speeches made here, the nice words spoken, never gave results. Today, the purpose of this bill is simply to establish a monitoring agency that will, hopefully, have powers proportionate to today's needs. It will be able to monitor, and impose fines to enforce compliance with the legislation. It is not enough to pass regulations, vote legislation. Compliance with the legislation is primordial, starting with merchant ships, small ships. Reference was made earlier to large cargos, oil tankers. In fact, we have been trying for years to deal with those ships that dump waste, as the hon. member who spoke before me said

earlier, as they proceed on their course. Of course, it is difficult to monitor all those ships, particularly when they leave territorial waters. I think it is as serious within as without the 12-mile limit because the effects of that dumping are necessarily felt. I think that agency will have to be able, either under an international agreement or otherwise, to extend its jurisdiction beyond those limits and monitor much further so as to be able, once again, to spot those who will contravene the legislation we are about to vote.

I think, Mr. Speaker, that if we do not take extreme measures to stop pollution which is growing ever worse—and navigation is necessarily on the increase—if we fail to do so to protect our waterways, I think, within a few years it will be the end of our vegetation, or our marine life.

Mr. Speaker, I would again like to draw the attention of the House to our new supercargoes plying our seas. The garbage they dump all along their passage is getting much greater.

When accidents happen to these ships, Canada will need water cleaning systems. The minister indicated that we have a few, but I believe they are not adequate. The government certainly will have to invest in this field. When human lives are involved, the main consideration is not money. We will have to meet today's requirements to protect the sea, animal life and the men who live from the sea.

We were told there are approximately six cleaning rigs to cope with emergencies arising out of shipping accidents. I am totally aware of the protection system extent on the Atlantic coast, but I believe that if the act is really going to be implemented, if it is going to be effective, modern apparatus will have to be constructed. If there is an accident, and accidents will happen in view of the present maritime traffic, up to date, maximum-capacity systems will have to be provided.

Mr. Speaker, I do not wish to discuss the bill longer than needed, because it is going to be analyzed in committee, and members of the committee will do an adequate job. It is my hope that this will not be an ineffective statute on our books. It is stated the ministry will be entitled to name responsible people on the board. This is the government's responsibility, but I hope those people will be most competent. I hope, as the hon. member said before me, that these nominations will be based on qualification rather than political considerations, in order that the appointees may act directly on any ship and on any offence. I believe this will be the best way to protect the Canadian people.

● (1630)

[*English*]

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I would like to congratulate the minister for introducing Bill C-37, because I feel that this is one more armament in our arsenal to protect the environment. Perhaps I am jumping the gun, but I must also congratulate the hon. member for Esquimalt-Saanich (Mr. Munro) on his very reasoned and intelligent remarks regarding the threat of tankers off the west coast of British Columbia. It gives me great pleasure to discuss this matter on a non-partisan basis because I feel that many members of this House are concerned about the environment and especially about the dumping of waste and other substances into the ocean. I believe the government has gone a long way toward protecting the environment, particularly the ocean, under bills such as C-25 which is now before committee, under the Canada Shipping Act, the Fisheries Act and now with the introduction of Bill C-37.

I am very pleased that besides fines—which I agree are high and which will act as a deterrent, or should act as a deterrent because $100,000 is a large sum of money for a large company, a small company, a large fleet or a small fleet—there are detention, seizure and forfeiture clauses. These clauses bring a double edge to this bill and I feel that the deterrents are adequate. In the past there has been criticism that some legislation has not had enough teeth, but I think hon. members will agree that there are very strong deterrents in this bill both of a financial nature and, as I have said, the detention and seizure clauses.

I am concerned that in the Arctic there are situations where there has been no legislation to cover dumping, not only of waste in the ocean but also on the ice. I would like to congratulate the minister for including in the bill provisions with respect to dumping wastes on the ice. Hon. members realize that the Arctic is a very important part of our country, and because of the delicate ecology, there has to be special legislation such as ice hazard coverage to protect this important part of Canada. I feel that the scheduling of prohibited and restricted substances in Bill C-37 is commendable. There can be no question as to which substances can or cannot be put into the ocean from ships and aircraft because there are schedules laid down and they are there to be followed.

I express only one concern. This is not in regard to Bill C-37 but the shipping of oil from the Prudhoe Bay area in the Alaskan fields to the refineries in Washington. I believe there has been a long, hard fight by hon. members presently in this House as well as by former members to find a means of transporting oil from Alaska to American refineries. I understand the problem with which the United States is faced. Since it is deficient in oil, it is using every means possible to explore for resources in the United States and Alaska, to have them available as soon as possible and to inject them into the economy as soon as possible. In view of the world price of oil the United States is facing a tremendous balance of payments deficit because it is not self-sufficient in oil. Notwithstanding this argument, I feel that there must be some other method of transporting this oil to the American market. We in Canada have suggested several alternatives. We have considered the Mackenzie Valley. The Premier of British Columbia has suggested building railroads to bring oil down from the North Slope through the Northwest Territories and into Alberta.

● (1640)

I suggest that the government should do everything in its power to find an alternative method of bringing this oil down to the American refineries. If it is environmentally better to move it by a landlocked route, then we should do everything in our power to make sure that is the way it moves. I know, as does the hon. member for Esquimalt-Saanich, that if these supertankers go down the coast of British Columbia, one day there will be spills. I do not

think there is any doubt about that. The only question is when it will occur, because the ocean off the west coast is known to be treacherous. There are many severe storms in winter and some squalls during the summer, so it is only a question of time until one of the supertankers comes apart. We should try our best to prevent such destruction to the west coast of British Columbia. Our ecology cannot stand this type of damage. I support the hon. member for Esquimalt-Saanich in his effort to find another way, but the answer is not to extend wharfage at certain Washington ports. We should be trying to keep it out of those ports. It behooves us to find a better environmental path for oil coming from Alaska. A landlocked route would not destroy the ecology for the fishing industry which is so important to British Columbia, nor the beaches which are so important to the pleasure of our citizens. I think Bill C-37 is going in the right direction, Mr. Speaker, and I support it. Let us hope we can find an alternate route for the tankers.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, it is a pleasure to make a few remarks on the bill now before the House. After studying the bill and reading the comments of members who have spoken, I cannot help but think of a 1,000-year old fish travelling the oceans of the world. Imagine the tales it could tell! It would tell about the advancement of our technology, and the advancement of our ocean pollution. It would probably tell of the agonies of the thousands of fish that have died as a result of the man-made pollution of recent years. Not too long ago, in a statement to the press, Jacques Costeau said that unless the governments of the world took steps immediately, the seas of the world would be dead within 25 years. That is a short span in which to witness the total destruction of marine life. What a long time it has taken to reach the present state of pollution, and what a short time there is left to rectify matters.

I should like to move on to discuss the content of this bill, Mr. Speaker. Basically, it is a good bill. The other day the hon. member for Rocky Mountain (Mr. Clark) unintentionally made a spoonerism when he referred to something "seeping through a leakhole". I think this is a very accurate description of some of the clauses in this bill. I am particularly concerned about one matter that has been drawn to the attention of the House by the hon. member for Esquimalt-Saanich (Mr. Munro) and others, and that is the minister's authority to appoint any person to the duties and responsibilities of an inspector.

Mr. Alexander: That is the catch.

Mr. Brisco: Yes, that is the catch. I am almost, but not quite, convinced that this might be an abuse and I think it is incumbent upon the government to alter the clause so that it will not be an abuse. The other matter that gives me considerable concern is the schedules. Schedule I refers to high-level radioactive substances. I think it is up to the government to spell out precisely what a high-level of radioactivity is. I hope the experts can resolve this question in committee. It is not spelled out here, and it should be if the bill is be implemented properly.

Schedule II lists prohibited substances and includes chemicals pertaining to the mining industry and smelting. I know the minister is concerned because provincial laws are different and some are weak, but as things stand these industries are in a position to dump their wastes from the land into the oceans, rivers, lakes and streams. The purpose of the bill is to control dumping in oceans, lakes, rivers and streams of waste from ships, platforms and aircraft; but there is nothing in Canadian law to control the dumping of these substances from the shore. This could result in calamity. I suggest to the minister that while some provincial laws may pertain to these substances, the control should be federal, it should be all-encompassing and it should spell out the details.

The bill refers to allowance for dumping in times of danger to life, ship or aircraft; but I do not see any reference to accidental dumping. There is no indication of the action the department could take in a situation such as now exists off the coast of British Columbia. In British Columbia there are railway cars loaded with chlorine. Chlorine is stored at a depth of so many thousand feet. That chlorine will seep into the ocean. There is no indication as to how this bill will prevent such an eventuality. Accidents at sea happen, and will continue to happen. This is "after the fact" legislation, Mr. Speaker. This bill ought to deal with problems we shall need to face if there is accidental dumping.

● (1650)

I support the position of the hon. member for Comox-Alberni (Mr. Anderson) who is concerned about what will happen on the west coast if oil tankers carry their cargoes down that coast. Nothing frustrates the people of British Columbia, or all of Canada, more than knowing that oil will be carried along the west coast of Canada down to the United States. I have never heard a greater degree of frustration expressed than has been expressed on this issue in recent years by the people of British Columbia. I endorse what the hon. member said: some other way must be found. We can only help our ecology and environment by the establishment of a pipeline to guarantee supplies to the United States. I see the minister nodding her head in agreement. I know, she knows and every member of this House knows that her hands are tied, that she has little to say about the ocean route of these tankers.

Inevitably, despite man's modern technology, despite the efforts of all governments to secure safe passage for ships, catastrophes will occur. Considering the enormous volumes of oil which tankers now carry, any spill may be considered a catastrophe. We may hope that winds and ocean currents will take the oil offshore, but that only solves part of the problem as the pollution will show up somewhere else. Every member of this House will support the minister's efforts to resolve the difficulty. True, I am not speaking precisely on the terms of the bill except in so far as it applies to ocean dumping.

There are those in this House who are concerned about what will happen if a west coast oil tanker route is firmly established. They have voiced their concern in the past and will voice it in future. The bill refers to emergencies, to risks unacceptable to human life and human health, but it provides for no solutions. I find that strange. What are those risks to human life and health which will not lend themselves to solution? Why was such language included in the bill in the first place? When does the department imagine it would be invoked?

Adjournment Debate

Some time ago a newspaper article about Great Lakes pollution upset me so much that I put a question on the order paper which asked the Minister of the Environment (Mrs. Sauvé) the following question: What is the estimated tonnage of human waste that will be dumped in the next five years from vessels plying the Great Lakes? The response was that estimated quantity of human sewage, including the usual three gallons of flush-water per person per day, is seven million tons for the next five years. I then asked: To what degree, in percentages, does the dumping of human waste from such vessels contribute to the pollution of the Great Lakes? In other words, how great will be the proportion, in percentage terms, of human pollution dumped from vessels plying the Great Lakes in relation to the total volume of pollution which will be dumped into the Great Lakes in the next five years? The answer, Mr. Speaker, is .3 of 1 per cent.

On that basis we are talking about 2⅓ billion tons of pollutants which will be dumped in the Great Lakes in the next five years. The discharge regulations under the legislation may resolve this problem in five years, but I suggest that will be too late. I urge the earlier resolution of this problem; let it be done before five years. Why should we allow this condition to continue? The cost of curing it is really not that great.

May I call it five o'clock, Mr. Speaker.

Mrs. Sauvé: Mr. Speaker—

The Acting Speaker (Mr. Penner): Is the minister rising on a point of order?

An hon. Member: Five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): Order, please. It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hn. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Housing—Neighbourhood improvement and residential rehabilitation assistance programs—request for increased funds; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Air Canada—Possible inclusion of Winnipeg finance branch in terms of inquiry; the hon. member for York-Sunbury (Mr. Howie)—Social Security—Suggested increase in old age pensions—government position.

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

[Mr. Brisco.]

PRIVATE MEMBERS' MOTIONS

[*English*]

CANADA PENSION PLAN

SUGGESTED MEASURE TO ENTITLE SELF-EMPLOYED FARMERS AND FISHERMEN TO AVERAGE INCOMES OVER FIVE-YEAR PERIOD

Mr. John Wise (Elgin) moved:

That in the opinion of this House, the government should introduce a measure to entitle self-employed farmers and fishermen, for the purpose of receiving benefits under the Canada Pension Plan, to average their incomes over a five-year period.

● (1700)

He said: Mr. Speaker, I am grateful for this opportunity to place before the House a motion which I attempted to introduce some time ago in the form of a private member's bill. Upon receipt of some good advice from the House officials that the substance of my desire and concern might be regarded as a money bill, thus contravening the rules and spirit of this institution, I did not proceed in that manner but, rather, elected this opportunity in House business to express my concern.

The motion, which is self-explanatory, would assist a percentage of farmers and fishermen in this country and would remove one of the many difficulties these Canadians suffer because of a frequently fluctuating year by year income. If members will read through the volume of minutes of the special joint committee of the Senate and the House of Commons on Bill C-136, the Canada Pension Plan bill, 1964 to 1965, on page 1163, appendix A15, they will see an excellent statement on this subject presented to the committee at that time by the Canadian Federation of Agriculture. The last paragraph in the federation's statement deals with this situation very accurately. It reads:

One other specific point we wish to raise has to do with the calculation of the pensionable income of self-employed persons. Section B of the bill seems to us to define income according to the terms of the Income Tax Act. We take it that this means that when a farmer adopts averaging, then his averaged income will be, also, his income for pension purposes. If this is not so the act should be revised to make it so. With the extreme variability of many farm incomes, there will be many farmers whose income will fluctuate above and below the maximum pensionable earnings figure. If averaging, for pension purposes, is not permitted, the farmer who experiences such fluctuations will certainly end up with a considerably smaller pension.

In the process of preparing this presentation I was advised that considerable assurance was given to the federation, if not publicly then privately, that this inequity would be dealt with. However, if one reads the information booklet for the self-employed produced by the Department of National Revenue, Taxation, by authority of the minister, on page 3 one finds that farmers and fishermen, who are dealt with in like terms in the Income Tax Act, will contribute on their actual self-employed earnings and cannot average their income for Canada Pension Plan purposes. On page 3 of the booklet "Information for the Self-Employed", it reads:

A farmer or fisherman will contribute on his actual self-employed earnings and cannot average his income for Canada Pension Plan purposes. Losses incurred in other years are not deductible in computing self-employed earnings for a year.

The Canada Pension Plan which began to operate on January 1, 1966, requiring every self-employed person residing in Canada between the ages of 18 and 70 who has self-employed earnings amounting to $800 during the year, is certainly a milestone in Canada's social security program. I realize there have been a number of amendments and regulatory changes since that time. I have a list of them. However, in order to save time I will not go into them. Perhaps my case might best be presented by an actual illustration of an example I dealt with recently. The particular individual on whose behalf I have been working and will continue to work will be referred to as Mr. X.

In the year 1966, Mr. X's income was $78.17. Consequently, his Canada Pension Plan payment was nil. His income in 1967 was $664.34. Again, his contribution was nil. In 1968, his income was $2,849.74. This qualified him to pay $80.99 into the Canada Pension Plan. His income for 1969 was $3,037.18 and his Canada Pension Plan contribution $87.74. For the year 1970, his income was $5,637.19 and his Canada Pension Plan contribution $169.20. In 1971, his income was $2,355.38 and his contribution to the plan was $60.40. In 1972 he received interest income only of $1,054.48; consequently, he was not permitted to contribute to the plan. In 1973, he received interest income only of $905.65; therefore, he again was not eligible to contribute to the plan.

If you examine the foregoing closely, you will recognize the very real hardship illustrated for Mr. X. Because the averaging provision is not allowed, only four years of contributions were made. It is not the five-year qualifying period that I dispute but, rather, the absence of the averaging provision in the Canada Pension Plan Act. I could not let the opportunity pass while speaking on this particular case without making some reference to another difficulty, namely, that income of an investment nature such as dividends and, in Mr. X's case, interest on bonds, are excluded from self-employed earnings.

In 1971, Mr. X became seriously ill. He relies on a dialysis machine for survival and is confined strictly to a wheel-chair. Consequently, because of the present terms of the Canada Pension Plan he is unable to secure disability benefits from the plan. Numerous examples could be cited, particularly by those engaged in both the farming and fishing industries whose incomes for one year are below the minimum and indeed are above the maximum the very next year. I am certain that much could be said against the Income Tax Act, but that act does recognize this very problem and has a provision for averaging. If the government could develop some incentives, establish some stability and create some effective long-term programs and policies in these two basic and important food producing segments of our economy, this problem would be greatly overcome. Unfortunately, I do not see this happening.

I sincerely appreciate this opportunity to present my motion to the government. I earnestly request that the Minister of National Health and Welfare (Mr. Lalonde) and his colleagues give equally serious consideration, and some assurance, that at an early opportunity the Canada Pension Plan Act will be amended to overcome this inequity, in an effort to develop and improve the Canada Pension Plan to the paramount position that not only the minister but all Canadians desire.

Mr. D. M. Collenette (York East): Mr. Speaker, some might be surprised that a member representing an urban constituency should wish to speak on a motion which appears to relate to the interests of rural and seafaring communities. Nevertheless, I assure the House that those of us who live in urban communities do recognize the difficulties which farmers have had to face. We acknowledge that the Minister of Agriculture (Mr. Whelan) was right when he said that Canadians have enjoyed good food at a cost lower than that which people in most of the other nations of the world have to pay.

● (1710)

Mr. Baker (Grenville-Carleton): The farmers have enjoyed the lowest incomes, too!

Mr. Collenette: In fact, I believe Canadians spend the smallest proportion of their disposable incomes on food. I am glad to speak on this motion for another reason. It has to do with the Canada Pension Plan, and in York East a large segment of the population is made up of people who have retired or who are nearing the age of retirement. Of course, they are interested in anything which has to do with the Canada Pension Plan or old age security.

Essentially, what this motion proposes is that self-employed farmers and fishermen be allowed to use the Income Tax Act's five-year averaging technique to determine their annual contribution under the Canada Pension Plan. The basic assumption, then, must be that what makes sense for the Income Tax Act also makes sense for the Canada Pension Plan. There are some serious flaws, though, in making such an assumption.

The Income Tax Act works in year-tight compartments and provides that the rate of tax depends directly on the amount of annual income. While the Income Tax Act does provide special averaging arrangements to modify tax inequities created by wide fluctuations in income, the application of the averaging arrangements does not change the one-year time dimension. The Canada Pension Plan, on the other hand, works on a career lifetime basis; that is to say, benefits are based on the contributor's earnings averaged over his entire working lifetime. In other words, the CPP is not based on one year of earnings, as with the Income Tax Act, nor even on a five-year average of income, but is upon earnings through the participant's whole career. This, of course, means a potential 47-year average; that is, from age 18 to age 65.

This averaging feature has been part of the plan since its inception and was specifically designed to smooth out wide differences in annual earnings and to produce a benefit which bears a relationship to career experience. Another significant point of difference between the two acts is that under the CPP fluctuating incomes do not affect the participant's rate of contribution. An example may demonstrate these points more clearly: an individual may have earnings in five successive years of $1,600 in the first year, $7,400 in the second, $4,500 in the third, $1,600 in the fourth and $7,400 in the fifth. Tax payments can be very different if the earnings are taken as the average annual rate of $4,500 rather than as the actual figures.

This, of course, is the very purpose of the special averaging provisions of the Income Tax Act, and presumably why the motion proposes the same technique for the Canada Pension Plan.

However, such an arrangement is not necessary for the CPP: under the plan, the contribution rate is the same whether actual or average earnings are used. Then, for CPP benefit purposes, these five years of earnings will automatically be averaged along with all other years in the contributory period and so, apart from the updating of earnings feature of the benefit formula, the year to year fluctuation in earnings' level will be negated. In order to appreciate just how the CPP benefit formula does affect various earnings patterns, it is useful to examine the formula a little further. The general formula for a retirement pension—which is also the basis for the earnings-related component of a survivor's or disability pension—is 25 per cent of the participant's updated earnings, averaged over the period during which he was required to contribute to the plan. Before taking the percentage, the following steps are performed.

Some hon. Members: Hear, hear!

An hon. Member: Carry on.

Mr. Collenette: I thank hon. members for their encouragement. It is always nice to be encouraged at this hour. As I was saying, the following steps are performed: First, the individual's contributory period is established; this is generally from January, 1966—or reaching age 18, whichever is later—to the month before the retirement pension begins, (which is age 65 or later); second, the individual's actual contributory earnings for each month in his contributory period are updated. This updating or adjustment operation is designed to give a current value to the actual contributory earnings and involves restating the actual earnings in terms of the average of the maximum earnings levels under the plan for the year of retirement and the two preceding years. Third, the total updated earnings are averaged over the individual's contributory period.

If the fluctuations in an individual's earnings are such that each year's earnings are between the yearly basic exemption—the amount to be earned before contributions can be made—and the yearly earnings ceiling, the averaging and updating processes which are carried out before the benefit is established will smooth out the fluctuations which throughout the career are in this range. Because most people fall into this category, the net effect of the proposal would be a great deal of effort to no real avail.

The plan in its original design also provided for an adjustment in this earnings averaging process to allow for years when earnings would be very low, or even below the basic exemption. The first such special provision applies to the contributory period, where the plan provides that a participant's contributory period is reduced if he receives a disability pension under the Canada or Quebec Pension Plan, that is, the averaging period does not include any month during which the participant received a CPP or QPP disability pension.

There are, in addition, two provisions dealing specifically with periods of low earnings which come into play on January 1, 1976, upon completion of the retirement pension transition period. First, an individual who continues to work past 65 and continues to contribute to the plan will, if it is to his advantage, have his earnings for the months after he reaches age 65 replace lower earnings for any months before he reached age 65. In other words, high earnings are substituted for low earnings, and this is clearly to the contributors' advantage; it is obviously better to substitute $6,000 for $1,000 than to average the two. In addition, an individual can drop out up to 15 per cent of the remaining months of his contributory period; this drop-out provision is, of course, applied to the months of lowest earnings. An overriding condition attached to both these provisions is that they cannot serve to reduce the contributory period below ten years.

As an example of the combined effect of these two provisions, we can take the case of an individual who comes under the plan in 1966 and retires at the age of 66 in 1977, and who during that 12-year period has experienced two years with no earnings and ten years at maximum earnings. Because he contributed to the plan for a year after reaching the age of 65, that year of maximum earnings replaces one of the years of zero earnings. The drop-out feature is then applied and this provision serves to eliminate the other year of zero earnings. In this hypothetical example, then, the operation of the over age 65 earnings substitution and the drop-out provision mean that the individual will receive a maximum pension, even though he had two years of nil earnings during his working career. The elimination of low earnings via the drop-out provisions means, in the example, a 100 per cent pension rather than an 83 per cent pension; if low earnings were not dropped but diluted via an averaging process, the result would not be a 100 per cent pension.

● (1720)

To summarize this point, the career-long averaging of earnings provided for in the plan and the special earnings adjustment features to provide for years of low or nil earnings mean that by far the majority of different patterns of earnings have already been provided for in the plan. Adoption of the motion would involve the contributor in a great deal of record keeping and complex analysis which would likely result in no real advantage. Indeed, exercise of the option could work to his disadvantage.

One worrisome pattern that became so with the new technique for accelerating increases in the plan's yearly earning ceiling is where the individual has a number of years below the annual basic exemption. That is, up until January 1, 1975, an employee had to earn over 12 per cent of the annual earnings ceiling in order to contribute to the plan in that year. The self-employed contributor had to earn over 1⅓ times the basic exemption before he could make a CPP contribution for that year. With the earnings ceiling increasing at the rate of 12½ per cent a year, these qualifying formulae could well have kept a number of people from contributing to the plan in respect of low income years.

Accordingly, when the new technique for establishing the annual earnings ceiling was introduced, the plan was also changed to have the basic exemption dropped to 10 per cent of the earnings ceiling and the extra one-third threshold for self-employed contributors deleted. Without these changes, a self-employed person would have had to

have earnings in excess of $1,000 in order to make valid CPP contributions in 1975. As it is, the 1975 basic exemption for both employee and self-employed contributors is $700. With all these plan design features, it is hard to understand the reason for proposing the further—and, indeed, perhaps unnecessary—linking of two statutes when each on its own is already extremely complex, and particularly when there are fundamental dissimilarities both in the time dimension contemplated and the rate structure.

Even if the desirability of this mixed marriage could be established, the motion does not treat of some very important particulars. For example, under the Income Tax Act all forms of income are included in the averaging formula. The Canada Pension Plan, on the other hand, covers only earnings from employment. What adaptation, if any, is to be made? Another question unanswered is the timing for the exercising of an option in favour of a five-year averaging. The CPP already provides for an averaging period that ranges from 10 to 47 years: at what point in this averaging period should a further averaging be allowed? The best time is obviously at the time the benefit is being calculated, but a proper choice could not be made without a careful examination of up to 47 years of earnings and a full understanding of the way earnings are averaging and adjusted, and then the decision could involve a reconciliation of all the contributions made over those 47 years. On the other hand, any choice made before retirement time would of necessity be a blind choice, and accordingly there would seem to be reason for remedies when an unwise choice resulted in either overpaid benefits or the loss of benefits altogether.

In summary, the proposition contained in the motion is built on a faulty assumption of the empathy between the Income Tax Act and the CPP. It does not take into account the earnings averaging and adjustment provision already in the plan. It would involve a complicated effort on the part of both the individual contributor and the plan administrators. Finally, it would have no real effect in the great majority of cases and indeed could operate to the disadvantage of some. Therefore, Mr. Speaker, I think I have given just reasons why I oppose this motion.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I should like very much to compliment the hon. member for Elgin (Mr. Wise) for bringing forward this motion today. He did not have to speak very long: he only spoke ten minutes because his presentation was so realistic and logical.

An hon. Member: Say that with a straight face.

Mr. Whittaker: The hon. member asks, can I say that with a straight face? I certainly can say it with a straight face, especially after the presentation we have just heard, lasting a full 20 minutes; a dissertation, you might call it, written almost right out of book by some city slicker and read by the same, not really knowing or understanding the problems of the farmers. There is an old saying that farmers live poor and die rich. But that saying is very fast changing and very fast leaving, because not only are they living poor but they are dying poor, especially when we see the rate of inflation that we have in Canada today, and the government opposite doing very little or nothing about it.

When you talk about averaging for such things as the CPP for farmers, it is realistic. It is realistic when you know and understand what farmers go through, the differences in their earnings year by year, and when you know that they cannot always make a good earning. One year you could be in almost a loss position and the next year you could be doing very well.

There is not much stability in agriculture in Canada today, although I am happy to say that our government in British Columbia is trying to put some stability into the industry—much more than this federal government is doing. It is because of this that we have to ask for such things as averaging for the farmers with respect to CPP.

I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) is going to support this motion. Not like he did last Friday, when the government opposite came in and challenged a motion that would allow people who had overseas service to count it as presence in Canada so they could get an old age pension. When this motion was brought into the House it was challenged by the government opposite because it was going to a money bill. Funny money, I say. There was not much to it, but I was very sorry to see that the hon. member for Winnipeg North Centre saw fit to support their challenge. I am sure he will not see anything that will cost the government any money in this motion today. I sit here quite often when private members' motions and bills come up, and listen to the crocodile tears from the members opposite.

An hon. Member: Shame!

• (1730)

Mr. Whittaker: Shame is right. The hon. member speaks of shame. I say "shame" when they cry crocodile tears and then spend the remaining time talking out a bill.

An hon. Member: Who is talking now?

Mr. Whittaker: I shall not take long. I am sure this motion will not be talked out and will pass. I shall not take much more time because I do not want to see too many crocodile tears but rather some action. I want to see the members opposite pass this motion rather than give us dissertations such as the last 20 minute dissertation from the hon. member opposite. These farmers are the backbone of Canada.

Some hon. Members: Hear, hear!

Mr. Whittaker: They are not receiving any help from this government. The hon. member asks about the Stabilization Act. It is a disaster. I suggest that he take a look at what the provinces are contemplating doing about stabilization for farmers. He should understand what is going on because the federal government is not placing the proper base under farming. So, as I said, I support very strongly this motion of the hon. member for Elgin and hope that members opposite will not spend the next 25 minutes or longer talking it out.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I did not rise on a point of order when the hon.

member for Okanagan Boundary (Mr. Whittaker) was speaking because I realized I could probably get the floor before very long. However, I want to object to his suggestion that because I took a stand on a point of order on Friday I was therefore against the substance of his bill which related to the Old Age Security Act. He knows very well that I support 100 per cent the point he is trying to win, both in his private member's motion and in his private member's bill. I believe there is support on all sides of the House and that we will win the point very soon. I hardly think it is appropriate to say that one's stand on a point of order reflects where he stands on the substance of a measure.

I wish to commend the hon. member for Elgin (Mr. Wise) for bringing down this motion and for raising the discussion we are having this afternoon. I must say, however, that the problem is one which calls for a very thorough study. I wish to say also that it is a problem that applies not only to self-employed farmers and fishermen. I hope, therefore, that this debate this afternoon will provoke more study of the whole question of the losses some people can sustain under the Canada Pension Plan because of years of low income or of no income at all. Essentially that is the point raised by the hon. member for Elgin. He has applied it to self-employed farmers and fishermen, but it applies to many others as well, and it raises the whole problem we have not yet solved concerning what to do about women in the home and others who are not in the labour force. The two groups to which the hon. member refers include people who receive incomes in some years and do not receive incomes in other years and who are affected by not being covered by the Canada Pension Plan at certain times, but there are many others as well.

The hon. member for Okanagan Boundary took an appropriate crack at the hon. member for York East (Mr. Collenette), but I believe the hon. member for Okanagan Boundary, before he goes too far with that, should study the workings of the Canada Pension Plan. It is true that there is an averaging characteristic in it by virtue of the fact that the pension one receives depends upon the level of pensionable income in the last three years before he retires. That level is applied to the percentage of the YMPE one has had through his working years. I suggest it is a fair question to ask which is more beneficial to a self-employed farmer or fisherman, to have an averaging of earnings when he is 35 or 40 years of age, or to have some improvement in the formula with regard to the pension he will receive when he retires at age 65. So I agree with the hon. member for Okanagan Boundary that this is not something to be talked out because I hope the very discussion of this resolution will highlight the fact that, good as the Canada Pension Plan is, there are improvements which need to be made to it.

The hon. member for York East referred to the drop-out provision which, after one has been in the plan for ten years, is 15 per cent of the months or years one is in the plan. I remind the hon. member that when this bill was before the special committee to which it was referred, I believe in 1965, in that committee we made a very strong recommendation that that 15 per cent should be 20 per cent. I think that should be looked at again in the light of experience. Indeed the provision of 20 per cent in respect of drop-out years instead of 15 per cent might meet this problem in respect of self-employed farmers and self-employed fishermen even better than the system of averaging their incomes. At any rate I am attempting to outline my contention that, good as the Canada Pension Plan is, there are improvements to be made to it.

[Mr. Knowles (Winnipeg North Centre).]

The hon. member for Elgin is on the beam when he says an area which must be looked at is the loss suffered by some individuals because they have years of low income. But, as I said a moment ago, this raises almost immediately the whole question of housewives and all persons, male or female, in or out of the home, who have years in which they are not covered by the Canada Pension Plan. I know that quite a bit of thought has been given to this. I know that papers have been presented to various committees and by various committees, but the answer does not yet seem to have been produced.

I have suggested, two or three times in the past year or so, that a closer relationship between the Canada Pension Plan and the Old Age Security Act might be thought out. Maybe we should provide that for years when contributions are not made to the Canada Pension Plan, there should be a special bonus with respect to old age security. I hope something like this will be considered carefully. I shall keep my promise not to take very long. I think the whole problem has to be thought through, and that we must find ways and means to protect all our people so that they might get the best possible benefit under the Canada Pension Plan. This includes farmers and fishermen, but also many others, married women in particular. In the sense that this motion raises this whole issue this afternoon I commend the hon. member for Elgin for having put it down.

The Acting Speaker (Mr. Penner): The hon. member for Glengarry-Prescott-Russell.

Mr. Denis Ethier (Glengarry-Prescott-Russell): Merci, monsieur l'Orateur. I should like to tell the hon. member for Okanagan Boundary (Mr. Whittaker) that it will not be a city slicker addressing you. On the contrary it will be one who represents a rural agricultural riding and is very proud of it.

[*Translation*]

If I am eager to take part in this debate on the motion introduced by the hon. member for Elgin (Mr. Wise), it is in part because, as the elected representative of a rural riding, I make it a point to intervene whenever the future security of my constituents is at stake, as it is the case with Bill C-33, and in part to indicate the areas of possible injustice which this motion contains.

There is no doubt the hon. member for Elgin moved this motion with the very best intentions, perhaps even for the purpose of helping a limited group of individual fishermen and farmers. If such is the case, I should have liked to hear the hon. member specify the particular groups of farmers and fishermen who are the object of his motion, even to the point of identifying each and every one of them by names.

Mr. Speaker, we are being urged to change the administration of the Canada Pension Plan to benefit all Canadian farmers and fishermen. I am sure most of these are

quite satisfied with the Canada Pension Plan as it exists now.

When the plan was first introduced in 1965, the reaction from the Canadian public was generally favourable, as is the case for all legislation submitted under a Liberal administration. As I was saying, the pension plan was very well received, because Canadians were quick to understand that when their age fo retirement will arrive, they will proudly claim their pension.

I said that they will proudly claim their pension, because they will not be asking for social security allowances or financial assistance from their government, they will simply be asking for what is theirs, a pension that they shall have paid for under the Canada Pension Plan. After ten years of existence, it could be, as was expressed by the hon. member for Winnipeg North Centre (Mr. Knowles), that some changes might prove necessary, but I am sure that if amendments or changes are made, they will only improve the legislation. Certain changes have been brought to the legislation in recent years, and I must reiterate that this was accomplished once again thanks to the sound administration of a Liberal government.

First of all, the number of Canadians able to contribute to the retirement plan was considerably increased. Second, the amount of monthly benefits was raised and it is estimated that by 1980, upon retirement a citizen will be able to receive as much as $250 a month in addition to his old age security, and even as much as $350 a month by the year 1985. Third, citizens aged 65 to 70 will be able to continue to work, if they so wish, while continuing to receive their retirement pension from the pension plan.

● (1740)

[*English*]

In studying the motion before us one must single out the possible inequities in Bill C-33. For instance, the motion proposes that for the purpose of receiving benefits, self-employed farmers and fishermen be entitled to average their income over a five-year period. In essence it seems that the proposition is predicated on the belief that it would be to the individual's advantage under the CPP if the plan were to incorporate certain of the provisions of the Income Tax Act. The underlying assumptions then must be that the implications of wide fluctuations of income are the same for both acts, and that the effects of the Income Tax Act provisions would remedy any inequities under the CPP. There are, however, strong reasons for suspecting that neither the implications nor the effects of the remedy are similar, and indeed the reverse can be the case.

For example, because of the way income tax rates are developed, an even pattern of earnings is nearly always more beneficial to the individual taxpayer. The same principle does not apply to the CPP contributor. To illustrate let me point out that the best CPP earnings for the years 1973, 1974 and 1975 are, respectively, $5,600, $6,600 and $7,400, that is, maximum earnings in each year. If we were to consider the average earnings for these years, that is $6,533, the individual's income tax position would be good, but he would not benefit under the CPP at all since his earnings for 1973 would be too high and would fall below the maximum for 1974 and 1975.

The second way in which identification of the two acts falls down is in the upper limits of each or, rather, the rising annual maximum earnings ceiling under the CPP as compared to the indefinite ceiling for income tax purposes. For the CPP ceiling the absolute amount of earnings in any given year is not as important as the relationship of those earnings to the CPP ceiling for that year. For example, earnings of $5,000 in 1966 have greater value for purposes of a CPP benefit calculation than earnings of $7,300 in 1975, because the $5,000 equals the 1966 earnings ceiling.

Yet another factor in assessing whether adoption of the motion would provide advantages to contributors has to do with the minimum contributory qualifications for some of the plan benefits. That is, just one valid contribution entitles a participant to a retirement pension under the plan. However, in order to provide for the plan's other benefits, an individual must make valid contributions to the plan for a certain minimum period of time. In order for a survivor's pension, orphans' benefits or a lump sum benefit to be paid under the plan, it must be established that the deceased contributor made valid contributions to the plan for a minimum period, which ranges from three to ten years, depending upon when the contributor became subject to the plan.

So far as disability pensions and the disabled contributor's child's benefit are concerned, the minimum period of contributions in order to qualify for these benefits ranges from five to ten years, with a further recency qualification that five of those contribution years must be within the ten years before the onset of the disability.

With these qualifications in mind, consider the situation of a self-employed farmer or fisherman whose annual earnings might be $1,000 in each of the first two years, and who had no further earnings for the next three years. Under present law he would have contributory earnings for two of the five years. However, if his earnings were to be averaged over the five-year period, he could not be considered as having contributory earnings in any of the five years. This loss of contributory years could be critical in terms of qualifying for either disability or survivor benefits.

This is all by way of demonstrating that, for some of the key provisions of the act, it may be crucial to preserve a given year as one in which contributions are made, regardless of the level of the earnings in that year, so long as the figure is higher than the annual basic exemption.

Both the Income Tax Act and the CPP recognize that the most usual earnings curve is one which starts low and ends high, yet both also provide special arrangements for deviations from this usual pattern. There is, however, a necessary distinction to be made in these special arrangements. Because the CPP operates over each participant's whole career, the special provisions for fluctuations in income are applied generally and are not restricted to a given class or classes. Moreover, because the special CPP arrangements serve to ameliorate many different variations in earnings patterns, there may be little use in superimposing the averaging arrangement provided in the Income Tax Act. The superimposing of the five year averaging option would complicate the plan, which is not now known for its simplicity, and would demand the talents of

an actuarially trained prophet to decide whether or not the individual's best interests would be served if indeed the option were exercised.

Therefore, Mr. Speaker, this motion would not serve the best interests of our farmers and fishermen mentioned in this motion, but would indeed complicate matters for them. Representing as I do a farming community, I cannot support such a motion.

● (1750)

Miss Aideen Nicholson (Trinity): Mr. Speaker, I would like to begin by commending the hon. member for Elgin (Mr. Wise) for raising this very important question. It is important to keep reviewing the very complex Canada Pension Plan to ensure that people are not penalized for periods of low earnings, and that as people age they receive the maximum benefits.

I am sorry that the hon. member for Okanagan Boundary (Mr. Whittaker) chose to try to make a distinction between the needs of senior citizens in urban areas and in rural areas. I am sure he is well aware that major changes in the Canada Pension Plan are only made by agreement with the provinces, and that they require the consent of two thirds of the provinces having two thirds of the population before they can be implemented. Experience generally seems to show that what is a problem for one section of the community may also be a problem for another. For example, the change which came into effect January last which deleted a special provision which had applied to self-employed persons, that is, the requirement that they must earn at least one and one third of the Year's Basic Exemption to qualify as a contributor, was an amendment which certainly benefitted fishermen, farmers, and also many other self-employed persons in cities. So I think when one is looking at this legislation one needs to consider the needs of all Canadians, whether they be farmers or city dwellers.

I am very much in agreement with the hon. member for Elgin that one wants to see this plan as inclusive as possible and to see that people get the maximum benefits and are not penalized for periods of low earnings, but I have some difficulty with the technicalities of the motion and whether the five-year averaging would really add anything to the existing provision for a 47 year averaging. In fact I can see some situations where five year averaging might work to the detriment of the contributor.

The motion before us does not deal with the key question of when that option would be exercised, and as one looks at the way the plan is constructed it seems that the best decision can only be made shortly before the pension is received, and that an earlier decision might put a person at a disadvantage.

The beginning phase of the plan is, of course, the paying of contributions and, unlike the Income Tax Act, the level of earnings does not change the contribution rate. As long as the individual's earnings in any given year are over the basic exemption, the participant pays the standard contribution rate on his or her earnings between the basic exemption and the earnings ceiling. The contribution rate in 1975 is 1.8 per cent on all earnings subject to the plan.

A five year averaging of income for CPP contribution purposes, as I see it, works two ways. The averaging of the

earnings can mean that a year or years become contributory years when such was not the case for the actual earnings. However, the reverse can happen with a period interspersed with low earning years and no earning years averaged out, so that none of the years in the average period would be assigned annual earnings in excess of the exemption, and thus all the years would be lost for contributory purposes.

As one considers the way the Canada Pension Plan formula works, a simple statement of this formula is that a retirement pension is equal to 25 per cent of the contributer's average monthly pensionable earnings. However, as previous speakers have said, the simplicity stops there. It is quite a complex formula, and the process involves four steps.

The process used to establish the average monthly pensionable earnings is, first, determining in each individual case the contributory period. There is a basic contributory period of 120 months for payment of the full pension, but this is a basic period. The normal contributing period runs from January 1, 1966, or on reaching age 18, whichever is later, to the month before the contributor begins to receive his retirement pension, which can be no earlier than the month after reaching the age of 65. From this period, however, are deducted any months during which the individual received a disability pension under either the Canada Pension Plan or the Quebec Pension Plan.

The second step involves looking at each month of the individual's contributory earnings which are those actual earnings in each month on which he made a valid CPP contribution, and these are updated. All the actual earnings are revalued in accordance with the movement in levels between the plan's earnings ceiling in the year of the earnings and the average of the earnings ceilings for the year of retirement and the two preceding years.

Third, once all the earnings have been revalued, then the special adjustment provisions come into play. These provisions will take effect January 1, 1976. The first deduction allowed is for an individual who contributes to the plan after reaching age 65. Any higher earnings for this period will replace months of lower earnings before reaching 65. The second adjustment is the drop-out provision which allows a participant to drop out at present up to 15 per cent of the number of months in his contributory period. Obviously the drop-out will be applied to delete months of low earnings. For both the over age 65 substitution of earnings provision and the drop-out provision, there is an overriding proviso that the total period cannot fall below the basic 120 months.

Fourth, once all the earnings have been adjusted, the total is averaged over the contributory period as established in step one, and 25 per cent of that average equals the monthly retirement pension.

This is the current method of averaging and adjusting contributory earnings. Considering this structure it seems that the advantage or otherwise of allowing the five year averaging will not be known until the end of the working career, which is the only time when it can be absolutely determined how many months are in the individual's contributory period, how the drop-out provision and the over 65 substitute earnings provisions will work, and how the earnings adjustment feature affects the benefit calcula-

tion. One can foresee situations where averaging of income for contribution purposes could have an adverse effect on the pensions paid to many low and middle income earners, if it were done in the shorter period.

The Acting Speaker (Mr. Penner): Order, please. I regret to interrupt the hon. member, but the hour provided for the consideration of private members' business has now expired. It being six o'clock p.m. I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

OCEAN DUMPING CONTROL ACT

MEASURE TO PROVIDE FOR CONTROL OF DUMPING SUBSTANCES INTO THE OCEAN AND TO ESTABLISH A BOARD OF REVIEW

The House resumed consideration of the motion of Mr. Sharp (for the Minister of the Environment) that Bill C-37, to provide for the control of dumping of waste and other substances in the ocean, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, continuing my remarks of earlier today with reference to Bill C-37, I should like to draw the attention of the House to the last paragraph on the last page of the bill, that is, Schedule III 3.(4). As I read this I am moved to observe that the first should be last and the last should be first because this paragraph provides for earth dumping rather than ocean dumping. I believe that every effort should be made to satisfy the provisions for dumping those substances recorded in Schedules I, II and III in the proper facilities on shore rather than in the ocean.

In reviewing the bill I notice that some concern is expressed for the ocean bottom where the various substances to be disposed of will be dumped. There is an indication that a survey must be done to determine the ecology of the ocean floor at the location of the dump. I take it that the precise location of the ocean fill and its effects on marine organisms, fish and shellfish, will be of particular concern.

I wonder if the departments concerned know where dumping has taken place in the past and how much has been done, for how long, and whether on the Pacific coast, the Atlantic coast, or in inland waters? These questions are directed particularly to Canadian ships because I am sure we have no idea where foreign ships may have dumped garbage in the past. Before the international accord that is implied in the passage of this bill takes

effect I think it is important to determine where dumping has occurred, how much, what kind, and with what effect?

We must take into account what has happened in the waters off New York city. A vast section of the ocean there will not sustain life. It is a sea of sludge, a sea of death, a sea totally lacking in oxygen. Some may believe that could not happen here but just a couple of weeks ago, Mr. Speaker, we learned about a river in Manitoba where over half a mile of water was found to be totally lacking in oxygen. So we cannot say it could not happen here.

Another question that must be answered, Mr. Speaker, is which department will enforce the bill. It is all very well to say the bill is sponsored by the Department of the Environment and to expect that department to enforce it, but by what means will it do so? RCMP patrol boats? Argus aircraft? Coastguard search and rescue? National Defence? Or is it going to be a rowboat manned by a government appointed inspector?

I cannot help but be facetious when I talk about our coastal patrol, Mr. Speaker. It is a mass of inefficiency, and is inadequate for a maritime nation the size of Canada. It is a disgrace to a country with a maritime history such as ours. It is time the government realized that it has a responsibility to the seamen of the nation in terms of protection of the nation and its coastline. This bill cannot be discussed without reference to the manner in which it is to be enforced. It is the government's duty to tell parliament and the people of Canada how the law is to be enforced. How effectively will it be enforced? If the law is to be only as effective as Maritime Coastal Command, forget it.

● (2010)

I now wish to speak about vessels flying flags of convenience. Such vessels which ply our waters are often ill kept, ill manned, and have an infamous history in all oceans. I hope that such international flags of convenience will become a thing of the past as a result of the work of the international congress.

I am also concerned about the amending of schedules listed on the back of the bill by order in council. There are three schedules. Some of the substances dealt with are highly toxic and dangerous and are now allowed to be dumped. Some substances may be dumped, if certain qualifying conditions are met; other substances may be dumped if permits are obtained. The fact remains that the schedules can be altered. I suggest that any such alteration should be brought to the attention of members of this House by the Ministry of the Environment, which should send each member a written memorandum regarding alterations. We ought to be kept well informed on how the government is carrying out its environmental responsibilities with regard to the ocean.

I will not belabour my concern for this bill. Some of its provisions may be necessary, and others are important. I understand and appreciate the concern of the Minister of the Environment (Mrs. Sauvé), who wishes this bill to be referred to committee and returned to the House for quick passage. I endorse the basic intent of the bill and echo the concerns of other members regarding the provisions of Bill C-37.

Dumping at Sea

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, many years ago Joseph Conrad wrote in his short story "Typhoon" that the sea never changes, and its works, for all the talk of men, are wrapped in mystery. This may well have been true at the beginning of the present century. It most certainly was true when Lord Byron 100 years ago wrote:

Roll on, thou deep and dark blue ocean, roll!
Ten thousand fleets sweep over thee in vain;
Man marks the earth with ruin,—his control

Stops with the shore.

Today we know that the oceans do change; that, like the land, they are vulnerable to ruin at the hand of men. Lord Byron said, "Ten thousand fleets sweep over thee in vain." But today one supertanker can destroy half an ocean. Man's control stops with the shore, said Lord Byron; yet we pollute our rivers, and in turn, the oceans; we desecrate our air, and in turn the seas.

Times have changed. Concern for the environment is widespread. The Club of Rome's "Limits to Growth" suggests that the limits of the world's water resources will be reached long before the land limits become apparent. The World Food Conference received briefs and expressions of concern to do with the impending water shortage. According to these briefs there is to be a 24 per cent increase in water use during the next five years.

The world focused its attention on the Law of the Sea Conference. That conference in Caracas assembled the largest group of ocean scientists ever brought together in one conference, and reports tabled before that conference clearly pointed to the fact that the greatest danger before humanity today is that the oceans of the world are polluted, and the threshold where plankton can be killed by chain reaction of this pollution and never be regenerated is not known. If this threshold is crossed and the ocean plankton dies, then life on this earth as we know it will also die, because it is the plankton in the oceans of the world that provide the major part of the oxigen needed to sustain life.

Questions of the use, abuse and conservation of water resources, both inland and at sea, will be world issues, outgrowing concerns and issues of the past. Our position will move from one of negative concern regarding pollution to one of positive concern for the environment. It will move from concern for the environment to the larger question of consumption and growth; then, from growth, to questions involving energy. The next major concern of the world will be over water resource consumption, contamination, and conservation. Consequently I commend the departmental officials who had the foresight to draw up this legislation. I might even have a small, qualified word of praise for the Minister of the Environment (Mrs. Sauvé). I am a little hesitant, but I give credit where it is due. Perhaps I ought to give credit to her speech writer who wrote the speech which I am about to quote. Or perhaps she herself wrote it.

Mrs. Sauvé: I wrote it.

Mr. Wenman: Great! I like the part of the speech I am about to quote. I hope the minister meant what she said in her idealistic statement:

[Mr. Brisco.]

To wreck the environment, you need only wreck the sea. And that is not as difficult as it might seem. You need only destroy a milimetre or so of the surface—the aquatic topsoil so to speak—where the plankton, the essential first building-block of aquatic life lives. If we destroy this layer, the sea may continue, but we will not. It will be a dead sea—and as far as we are concerned a dead planet. As the sea goes, so goes mankind.

I should like to see idealistic statements of that kind considered by the Law of the Sea Congress. I commend the minister for the statement. However, let us pause a minute. Under all those frilly words, under all the perfume, flowers and scented similes, I detect something which gives rise for concern. I wonder if the minister's glowing words of concern are little more than a women's year special Don Quixote tilting at European windmills. I wonder is she ignoring the rust in her armour, or was it asbestos in her tea.

An hon. Member: Or is she catching butterflies with a torn net?

Mr. Wenman: We shall discover what sort of butterflies she has been chasing when we hear what she has to say in committee. In committee we are not concerned so much with fine speeches; we deal with practical realities. We shall ask the minister just how concerned she is about preserving the quality of our water. Let me quote to the House what she said in answer to my question on November 25, 1974, as recorded at page 1621 of *Hansard*. My question to the minister, to do with water quality, we recorded in *Hansard* as follows:

A supplementary question, Mr. Speaker. The minister suggested that studies are being undertaken. Can she tell the House under whose authority those studies are undertaken, in order to assure Canadian people that Canadian water supplies are safe and uncontaminated. To which studies was the minister referring?

What did the minister say? Did she say yes, we are undertaking water studies, to assure the people of Canada that their drinking water supplies are safe? She said, in answer to my question, as recorded in *Hansard*:

Mr. Speaker, numerous studies are undertaken. Water quality and possible harzardous effects on health are looked after by the Department of National Health and Welfare—

I took her at her word and directed my question to the Minister of National Health and Welfare (Mr. Lalonde) at a committee meeting on April 17. What did the minister say? He said, "I am afraid this matter is at the present time more a matter for the Department of the Environment . . ." We are back to the environment. When it comes to water policy, where does the minister stand? Where does the minister of National Health and Welfare stand? Where does the government stand?

● (2020)

An hon. Member: You have not caught her yet.

Mr. Wenman: I caught her in a contradiction. She is passing the buck. Where does it stop?

I want to know what is our overall water policy. While we are espousing these fine words and bringing forth these bills, which are just pieces of paper, virtually raw sewage from British Columbia cities is spewing forth into the Fraser River and on into the Pacific Ocean. It is flowing from Quebec cities into the St. Lawrence and on

into the Atlantic Ocean. The sludge runs down the rivers of Manitoba. A couple of weeks ago there was concern about a big slick. There is black oil all over the beaches of White Rock in British Columbia.

An hon. Member: Black Rock.

Mr. Wenman: They are now calling it Black Rock. In spite of all this we still have no over all water policy.

I have always wanted to know how all this piecemeal legislation fits into the over all plan. When I questioned the minister in the House about our over all policy and how this all fits together, the minister said there is no over all water policy. Surprisingly, the Prime Minister (Mr. Trudeau) agrees. He says it has not yet been decided. It is time the Prime Minister and the minister decided what is to be the over all policy for Canada. They should lead the world in this way. After all the glowing words and magnificent speeches across Canada and throughout the world, they come home to a country which has no water policy.

Mr. Marchand (Kamloops-Cariboo): Why don't you stick to the bill?

Mr. Wenman: The hon. member knows there is no policy and it bothers him. I enjoy his glowing remarks. I also look foward to hearing the minister's response.

The basic weakness of this bill is that it is piecemeal legislation. It does not tie in with an over all policy. I have only been here since last July 8, but since then I have been trying to find out from the minister how this all fits together. She will not tell me.

Mr. Marchand (Kamloops-Cariboo): Read the Arctic waters pollution bill.

Mr. Wenman: I know the member from British Columbia is concerned. British Columbia has one of the longest coastlines in the world. We have the most to lose. However, we have the most to gain if this bill becomes more than just a paper tiger.

The good member from British Columbia talked about the problem of tanker routes. Is this legislation an admission of defeat with regard to tanker routes on the west coast of Canada? Is it a softening of the resolve of the minister and the government to stop that tanker route along the coast of British Columbia? Have we stopped making representations? Will this be regulated in some other way? I hope not. I hope that this legislation was born out of the resolve and ideals expressed by the minister in the speech from which I quoted. I hope it is this kind of motivation which drives her on, rather than a concern that it falls short. I hope this is more than an expedient sop to those asking the minister for action with regard to the tanker route. I hope the minister's resolve will continue.

The minister heard two members from British Columbia express concern regarding tanker routes. How does that relate to the bill? Will the bill give the minister authority to stop those tanker routes? We want an answer from the minister.

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, I wonder if the hon. member would permit a question.

Dumping at Sea

Mr. Wenman: I would be very pleased to answer a question.

Mr. Marchand (Kamloops-Cariboo): Can the hon. member give us some idea how to stop these tankers from going down the coast in international waters? If he can answer that question, he will be telling us something.

Mr. Wenman: I would say that at the present time we are working for an international law at the Law of the Sea Conference. I hope that will eventually be acceptable. The control will come that way. I like to think the Government of Canada has some impact in the Congress in Washington. Canada will be supplying energy resources, be they coal, oil or whatever, to the United States. We are currently selling, will sell, or will share these with the United States, as expressed in their continentalism policy, which I do not like. As we share those resources, the United States has an obligation and a responsibility. I believe this government has negotiating power to gain what is right for Canada.

There are diplomatic tools. The Secretary of State for External Affairs (Mr. MacEachen) and the Minister of National Defence (Mr. Richardson) should be involved in some way. We need a government policy that goes beyond the piecemeal approach of this legislation and the piecemeal approach of the cabinet. Ministers are not co-ordinated to work together on issues such as the tanker route.

The minister was recently in Washington. What pressure did she bring to bear with regard to these tanker routes? Perhaps she will tell us this evening what she said to the American environmental officials and to the President of the United States. What have the Prime Minister and the Secretary of State for External Affairs had to say about this? It has been too little to satisfy the British Columbia members in this House.

The tanker route question is very significant. The parliamentary secretary stated in his speech that it in some way relates to this bill. I believe it was the parliamentary secretary who said that even when these tankers are unloaded, there are still 2,000 tons of oil in them which have to be flushed or washed out and dumped somewhere.

This kind of legislation is sort of related to sin. Prior to the Reformation people would pay and their sins would be forgiven. This legislation is similar to that. You pay to pollute. You buy the permit and are able to pollute. Another thing wrong with the bill is that there is no authority under international law to enforce this law. Even if we pass this bill it will not have international support. It will not apply to the high seas unless there is some accord. There is no authority for policing at the international level.

If this cannot be policed at the international level, how are we going to police it at the local level? We must rely on our national sovereign authority. However, how can we rely on that when we do not have an adequate force to police the three-mile limit? We cannot protect our own fishermen inside that limit. Therefore, how are we going to protect 12 miles or 200 miles? When we ask the Minister of National Defence about this, we are told that the military is being cut back. This is being done at a time when we should be increasing surveillance.

I have talked about some of the limitations of this bill and the concerns I have for it. I commend the authorities who drew up the bill and who are pushing the minister. I have talked to some of the officials in the minister's department. I am impressed with their keenness and desire to do what is right for the environment of Canada. However, the minister is kind of pulling back and saying, whoa, not so fast. She is trying to push the Prime Minister and the cabinet. I suggest the Minister of the Environment should take a leaf out of the book of President Nixon and start kicking a bit instead of pulling and pushing. I support this bill in principle.

Some hon. Members: Hear, hear!

Mr. Wenman: I will even put my cynicism aside for a minute and give the minister the benefit of the doubt. I shall assume, at least during second reading, that the bill is a product of idealism rather than merely a convenient sop to those who are concerned about the pollution of the oceans, even though I know the minister does not possess the authority necessary to back up this legislation.

● (2030)

When the time comes for amendments to be made we intend to make sure that this bill is capable of being enforced, unlike the contaminants legislation which could not be enforced. I have not obtained a legal opinion as to whether the bill before us can be enforced, but I am nevertheless concerned about this aspect. So I commend the minister, and accept the measure as being put forward on an idealistic basis at this point. I look forward to examining the bill, clause by clause, during the committee stage, and I hope that in the end we can produce an act which is evidence of some leadership, hopefully something which will bring us closer to the over all water policy which I demand of the minister for Canadians and for the world.

Mr. Allan B. McKinnon (Victoria): I rise to make a brief intervention in this debate. My interest is mainly in the danger of pollution on the west coast.

First, I would like to make a few comments about the question period this afternoon. I may have missed something in the translation from French into English of a reply by the Minister of the Environment (Mrs. Sauvé). I attempted, unsuccessfully, to get an early copy of the *Hansard* report, but it appeared to me that this afternoon the minister indicated she thought the danger of oil spills from oil tankers in the Strait of Juan de Fuca had been eliminated with the projected movement of the harbour from Cherry Point to Port Angeles, where it is presumed they will have an offshore loading point.

Port Angeles is not outside the Strait of Juan de Fuca but is some 50 miles inside the entrance to the strait. While the danger is not as great if the tankers come only to Port Angeles as it would be if they come as far as Cherry Point, there is still considerable danger—there is a danger of collision in the confines of the Strait of Juan de Fuca. So, while it is an improvement over the Cherry Point location, it is not as good as if the harbour were located at Neah Bay or at Gray's Harbour, which would take it outside the restricted waters of the Strait of Juan de Fuca.

I hope the minister will do what she can to see that the movement of the offshore loading point toward the ocean is accelerated. She will then be able to answer truly in the House of Commons that the danger is, to the best of her ability, now removed.

My second reason for rising in debate this evening is to call attention to the difference between the proclamations of the government concerning anti-pollution measures and what happens in practice. For example, the following appeared in the Vancouver *Sun* on May 4, 1973, quoting a statement made by former environment minister Jack Davis:

> "Up to $20 million a year in federal government loans is available to clean up pollution in the Straits of Georgia and Juan de Fuca and their tributary waters", Environment Minister Jack Davis said today.

It would appear that such a fund would help out the people on the West Coast without any great strain on the administrative facilities. However, an oil spill occurred a short time later, and at that time there was nothing but confusion in the handling of the clean-up operation, the problem appearing to be who should do the cleaning up. Should it be the Ministry of Transport or the Department of the Environment? They just didn't seem to know who should do it. The view of one spokesman for the federal environmental emergency service was reported in the Vancouver *Sun* as follows:

> Put in what Chris Hatfield, federal environment emergency co-ordinator, calls simple terms, it goes like this:
>
> "If a spill originates with a ship within the Vancouver harbor boundaries, the take-charge guys will be the National Harbours Board.
>
> Outside the harbor, the federal ministry of transport.
>
> From the land into the inlet, the federal environmental department.
>
> From land to land, the municipality and the province."
>
> As Mr. Hatfield says, this doesn't mean that the level of authority assigned to any specific area is solely responsible for clean-up.

If an oil spill occurs in the middle of the night, a more confusing policy than that set out by the government would be hard to conceive. A few days after the article appeared, the municipality of Oak Bay had the misfortune to be affected by an oil spill which happened during the hours of darkness.

No one knew what ship the spill came from, and for the benefit of the minister I would like to point out here that when a spill does take place speed is of the essence in dealing with pollution caused by oil washing up on beaches. If you wait for as much as a day the problem is multiplied.

The Oak Bay municipality got right to work and cleaned up the oil spill—a very small one. They then sent their bill to the Department of Transport. It was referred back to them and they were told it was somebody else's responsibility. There the runaround started.

On March 4, 1974, as recorded at page 121 of *Hansard*, I rose in the House and asked the then minister of the environment, he having just completed a long speech on fisheries, if he would mind telling me his policy on the clean-up of oil spills. I asked my question in the following words:

> Will the minister assure the House that when oil spills occur from ships and when the federal government, whose responsibility it is, is

unable to identify the source, the federal government will at least pay for the cleanup rather than expecting the municipal governments to assume what could be enormous costs?

The minister, Mr. Davis, said:

Mr. Speaker, I think I can assure the hon. member of that. Several years ago amendments were made to the Canada Shipping Act which provided for the collection of large sums of money. That money is available for compensation to those who are affected by oil spills.

MR. MCKINNON: Would the minister then explain to the House why the Department of Transport turned down the request of the municipality of Oak Bay for compensation for cleaning up an oil spill there some two months ago on the grounds that they could not identify the ship which spilled the oil?

MR. DAVIS: Mr. Speaker, I would suggest that the hon. member have a chat with me. Perhaps our departmental people can do something about it.

Surely to goodness, having heard this from a minister of the Crown, one would assume that the government did indeed intend to reimburse the municipality for the costs involved in cleaning up an oil spill which occurred at night on one of its fine beaches. But such was not to be the case. Mr. Davis was approached by the municipality, but their request was turned down. An election ensued and Mr. Davis was turned down. He did not return, and the ministry changed hands.

We tried once again to get payment of this very small sum from the new minister—I think it was only about $463—but it is not the amount of the sum that is of concern. That makes it even more disgraceful, that they would not even consider paying such a small sum. They turned it down on a technicality. First, they said it was because they could not identify the ship. The other objection I will come to in a moment.

I do not rise here because of the smallness of the sum or in the hope they will find it in their petty cash, or make a LIP grant or an OFY grant from sources where money is easy to find. I rise because this kind of occurrence could happen to any municipality with a coastline. Indeed, it is more likely to happen in the future than it has in the past. Next time the sum might not be small but might be rather large.

● (2040)

In any event, on February 6 I had occasion to write to the minister and ask her if she would stand by a commitment made by Mr. Davis, when he was minister, to pay for the clean-up of that oil spill. I received a letter in reply via the mayor of Oak Bay, which disturbed me. It was a complete disavowal of the statement made by the minister's predecessor; indeed it was stated that there would be no payment forthcoming.

At the same time there were some objections taken in the public press to the amount of money that has been collected in this fund to be used presumably to fight oil spills, and I understand shipping companies are no longer willing to pay their contribution, particularly as it appears the money is not going to be spent to clean up oil spills except under very specific circumstances.

I wrote to the minister again and was favoured with a reply dated March 11, some six weeks ago. At this time the minister took advantage of another technicality. It was now agreed that not being able to identify the ship would not keep you from collecting from the fund. I should like to quote the minister's letter of March 11:

In order to claim against the fund for cleanup costs of an oil spill, "Her Majesty in the right of Canada or a province or the other person that incurred that loss or damage" must first be able to establish that the spill came from a ship—

If there is oil on a beach that has been brought in by the tide you assume that it did come in from a ship, but it is kind of hard to prove. The second reason given, which is the case the minister has made for not paying this just debt, is:

—and secondly, must have obtained authorization by the Governor in Council prior to commencing cleanup (section 734). The claimant may then proceed in Admiralty Court against the administrator of the MPCF.

Now I ask you, Mr. Speaker, if you were mayor of a small municipality and someone told you that a small oil spill was drifting on to one of your beautiful beaches, would you feel like getting authorization by the Governor in Council before you started to clean it up? For one thing, it would be too late; the time to stop an oil spill of that nature is before it gets on to the beach. I think it is outrageous that the minister should hide behind this technicality and avoid paying just dues to clean up this spill, particularly in light of the platitudinous statements that are made at regular intervals by the minister's department to the effect that they are interested and are willing to help in the maintenance of the environment in Canada.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise to speak on this interesting bill which concerns the whole country, and certainly the province I represent with its long and lovely coastline, and its connection with the greatest of all the oceans. We have come to realize that even the vast scope and size of that ocean are not sufficient to prevent it from damage of all kinds, damage that has become commonplace in recent years.

At first glance the bill seems to cover more than it actually does, and I appreciate the explanatory words of the parliamentary secretary in his address at the commencement of the deliberations on it. It does not apply to most situations one would have thought it would apply to—it does not apply, we learn, to the dumping of garbage or to the kind of dumping that ships do when leaving port, such as discharging various waste oil products into the harbour. That is not the sort of situation we are talking about here.

Some years ago we in this place used to receive notice almost weekly of some vessel that had been fined for discharging oil into a harbour. It was obvious from the fines levied that this was simply a licence to continue the practice because it was cheaper to dump and pay the fine than to dispose of the material in some other way. This is one of the thoughts that strike me as I read the bill, that the penalties laid down as maximum fines, considering the products involved, are not all that great, even if the maximum fine were applied every time.

We are really talking about a limited range of activity involving production of materials which are frequently byproducts of processes that are in themselves very expensive, where the gain from the sale of energy or such products could be very large indeed. Even if there were an insistence on the maximum fine being levied, one wonders

whether we would not find a situation where it would be cheaper to commit the offence and pay the fine than to dispose of the material to be dumped through some other system. In this regard a likely offender could be a government department.

The bill provides for the application of a permit before action. Here again one wonders how difficult it would be to obtain a permit, particularly if one of the government's own creations were involved, one of its semi-autonomous organizations that could very well have a real problem of disposal. We also know there are various projects under way involving use of atomic power. There are waste products here that could be very damaging, and which in some instances have been dumped at sea by certain countries. Possibilities of land disposal along the British Columbia coast are somewhat limited by the terrain.

I think there would be a real suspicion in the minds of many people who read this bill that, in one sense, the bill is not so much against dumping but rather is a bill that legitimizes the whole business. It makes dumping permissive. It speaks in terms of the issuance of a permit to dump if it can be established that there is a risk to health or something like that.

There are also escape clauses to prevent loss of life. The west coast of British Columbia is notoriously stormy. If anyone were going to do some dumping, obviously the time to do it would be during the winter season when storms were more severe. It would be a relatively simple matter to file a report stating that the seas were high and the risk to life was great, and that the cargo that was to be disposed of on land had to be dumped overboard. There are extensive possibilities along this line. Then there is the policing aspect. Here again our patrolling is notoriously weak and we have an inadequate coastguard.

● (2050)

In British Columbia through the recent winter we knew how restricted we were in terms of finding lost cars that contained highly volatile substances. These cars were lost off a barge and were not located for some length of time. The whole search machinery on the Pacific coast is not too accurate. One suspects an offence could be committed and the offending ship could return to port without being found at all unless there is considerable contribution by the Department of National Defence, which department, the bill assures us, would be involved. However, knowing the restricted budget in that area and the utter lack of capability by that department to fly over the Arctic any longer, much in the bill about the Arctic Ocean surely is nothing but brave words and a pious hope that in passing this bill we will have accomplished something.

We should realize also that a good deal of the preamble to the remarks of the parliamentary secretary dealt with the fact that this is a convention of the United Nations and that 90 or 92 nations gathered together to debate it. We also know that the powers of this international organization are fading literally by the day and that its powers to intervene in disputes verging on war are very slim indeed. One suspects that the power of the United Nations to intervene for the purpose of preventing a nation which is determined to choose the cheaper way of disposing of its waste would be very slender indeed. The principle of the bill is one which I think we can welcome, but its application, both to this country and internationally, is something about which I think we could well maintain an extremely healthy skepticism.

The Acting Speaker (Mr. Penner): Order, please. Before recognizing the Minister of the Environment (Mrs. Sauvé) I should remind the House that if the minister speaks now this will close the debate at this stage of the bill.

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I have listened with great interest to all the interventions concerning Bill C-37, an Act to provide for the control of dumping of wastes and other substances in the ocean.

Mr. Speaker, I would like simply to give the reasons for the introduction of this bill. As we all know, the seas are only a single body of water, and coastal countries should not make improper use of the sea in general, or even of their own coastal waters. As the sea goes, so goes mankind, as the hon. member for Fraser Valley West (Mr. Wenman) said in quoting one of my recent speeches at the Law of the Sea Conference.

The sea used to be considered a purifier with unlimited capacities, but today, with a better knowledge of the oceans and the capacity to measure the quality of its waters, we have to question whether the sea will be able to keep forever its purity and its quality. A number of member countries of the United Nations, concerned about sea pollution, tried to develop what has been called the Oslo Convention, which suggests that coastal countries unite to protect the sea.

Wishing as ever to protect the environment, Canada, which, in passing, became one of the fore-runners in this field by creating its Department of Environment and introducing its environment policy, wanted to be among the first 15 countries to sign this convention. But for this, we must pass an act to make our standards and regulations compatible with those of other countries.

This is the basic reason for this bill. We already have in Canada several acts which allows us to protect oceans against pollution, but this legislation had to be added to these acts, to make them compatible with those of the other countries who will sign the convention.

I am very pleased with the co-operation of the House in referring this bill to committee where we can, at leisure, study it in detail. I shall limit myself to answering some of the questions, perhaps the most urgent, brought up by hon. members, notably their concern about the possibility of radioactive substances being disposed of in the oceans. Must I remind then, Madam Speaker, that a Canadian policy forbids categorically the dumping of radioactive substances into the ocean? Disposal of those substances is governed by the Atomic Energy of Canada, Limited, according to extremely severe regulations that are constantly up-dated.

Another hon. member spoke of inspectors or analysts, whom I could appoint and whose appointments could give jobs to all the Liberal candidates who were not elected.

I think, Madam Speaker, we shall have to be more concerned with Progressive Conservative members, for

most members on this side of the House were elected. Consequently, there is little to be done to do them a favour. Anyway, I believe it will be realized on closer examination that when I say "every analyst or inspector", I do mean, Madam Speaker, to provide every government department whose ships are sailing our oceans with the necessary authority to stop and examine ships that might fail to comply with our regulations or statutes.

This bill does not deal with a number of problems which were raised by hon. members opposite. I guess they took this opportunity to raise questions which are of concern to them. I am also concerned about those questions, especially the matters of sailing and supertankers. I tried my best to answer their questions at a different time and I will do so again in the future, but tonight is not the right time to tackle those problems which, although they are not totally unrelated to this bill, are are not exactly the subject of our debate tonight.

This bill bears a certain relationship to the Law of the Sea Conference which was mentioned by some members although the Oslo Convention was initiated a long time before the law of the sea discussions. It even took place before the Stockholm conference, which brought to the attention of the whole world that great problem of ocean pollution which is a due cause for concern for every country.

This bill, the Stockholm conference and other events too, are steps from a total freedom of oceans towards a certain limitation of that freedom and an identification of the interests of countries with a seafront in order to protect and develop oceans, and also towards the necessary development of sea management principles and, in a more significant way, the realization that we have to bring countries with a seafront to exercise that management duty in areas off their coasts which might fall under their jurisdiction.

The necessary protection of environment is one of the strongest and most significant arguments at our disposal to demand that the management authority of maritime countries be extended to a 200-mile limit for instance. Such is the character of the request made by Canada and other countries at the Law of the Sea Conference. That bill, however, goes quite beyond that 200-mile area which could be covered under this new jurisdiction granted to coastal states. It goes quite beyond that, applying as it does to an area where the sea is quite deep, an area which formerly was supposed to belong to everyone.

Grotius who proclaimed total freedom of the seas is severely challenged nowadays. The sea, which is a common heritage of mankind, must henceforth be submitted to regulations governing its use. Consequently, even if it is claimed that oceans are the common heritage of mankind, some countries must take charge of their management so we will not make ill use of them as in the past on the plea that they were entirely free.

This bill deals with the practice of dumping waste in the sea without worrying about the effects of such a practice. As the sea once belonged to everybody, all those who wanted to get rid of their waste, dumped it into the sea.

And it was believed, as I mentioned earlier, that the sea had the ability to purify everything; some substances however cannot be eliminated, and there is a point of no return beyond which the sea might not be able to rejuvenate itself.

A number of the problems which my hon. colleagues have mentioned—need I remind them—are already covered by such other legislation as the Shipping Act and the Arctic Waters Pollution Prevention Act. There are also regulations which govern the activities of ships within ports, and prohibit the discharge of waste waters in areas which are in the immediate vicinity of ports. Bill C-37 supplements a number of existing legislative measures in Canada which permit us to administer the oceans. This measure will be characterized by the fact that in so doing, we are joining other countries in the signature of an agreement to protect the oceans of the world.

This act will succeed. Its concept reflects the efforts and reflexion of many countries. It is not, as suggested an hon. member, a licence for polluting the sea. Surely the hon. member is aware that if we make it compulsory that an application for a permit is made before anything is dumped into the sea, it is because we have every intention of checking the nature of the substance to be dumped, the manner in which it will be discharged, and the place where it will be disposed of. The permit is an instrument allowing us to control the activity.

Several countries have expressed their intention of ratifying the convention, but ten countries of the world have already enacted the required legislation for consistency among them. The convention will be effective as soon as fifteen countries will have signed it. We are seeking for Canada the honour of being among the first fifteen signatories to the convention. We should like to be among the first who will co-ordinate their administrative measures for the enforcement of a legislation of this extent.

Therefore, Madam Speaker, I support the motion that Bill C-37 be referred to the committee for consideration.

● (2100)

[*English*]

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

Western Grain Stabilization

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

He said: Madam Speaker, I am very pleased indeed that the House has now been able to take up the legislation respecting the stabilization of net proceeds from the production and sale of western grain. It is now quite a few years since this government placed a very high priority upon the problems of the grain industry in western Canada. In 1968 and 1969 we recognized that there were grave difficulties which persisted and recurred in the grain industry and that it was time to have a most thoroughgoing examination of the whole range of problems relating to production, marketing, and particularly to the income of farmers throughout the prairie region in connection with their grain operations.

It was necessary for us as well to begin a massive examination of the nature of the handling and transportation systems which showed some problems in terms of cost rather than simply in the capability of marketing or carrying to market of the enormous prairie crops.

In 1969 we put together a new form of administration within the government to try to concentrate the attention of government on the problems relating to grain. We brought together, in the grain administration, part of the governmental operations which had dealt with grain in the various departments, such as the Department of Agriculture, the Department of Industry, Trade and Commerce, and the Department of Transport as well as in other departments, according to the type of problem which was being handled. We did that in order to concentrate on this problem, although of course within government there is always the dilemma of keeping the various parts of a problem as a unity in searching for solutions to it without pulling the parts away from other aspects of their own system where they also have significant relevance. In this way we gave the grain problem our concentrated attention.

The stabilization program which is before the House now is one of the several remaining very important measures which we tackled in those days. We recognized that the income of the farmer was our fundamental objective in dealing with the problem in the grain industry. The consumers of this country are of course extremely interested in the production of grain. There has not been much problem in terms of shortage but there have been significant problems in terms of the way the system operated to serve the farmer and the way it managed to obtain income for him.

● (2110)

We have in the years since then moved on many extremely important fronts in ways which have not only improved the lot of the farmer in his production of grain, but which have tended to assure that he will be better served by the apparatus of government and the rest of the structure within the grain industry which is so important to him. Some of our first approaches were to try to make sure that the marketing of his product was improved.

[The Acting Speaker (Mrs. Morin).]

We moved to give the Canadian Wheat Board additional facilities by way of credit and guarantees so that it could market wheat into traditional markets which had been lost and which, therefore, it was able to regain. We encouraged it to enter the feed barley business, where the Canadian producer had really not been before in terms of the export world. We set some targets, and achieved those targets of over 200 million bushels of export barley to help create an environment where, in other years, that market would be sustained to produce good returns for the farmer.

We set up a market development fund with a flexible ability to attempt to support projects of all kinds which might further the sale of Canadian grain products abroad. Some very interesting initiatives in the development of foreign markets have taken place as a result of that market development.

With these various efforts we obtained some important selling achievements. In years when the world market conditions had not yet changed, and our buyers were not yet much more receptive to the purchase of grain, we set three successive records in the export of grain, rising in 1972-73 to some 831 million bushels of all grain produced in the prairie region.

We also moved into some interesting additional projects in order to improve our ability to sell, projects which are still developing or coming to fruition at the present time, some which were accomplished with improvements in research through the regular program of the Department of Agriculture and with assistance in the creation of a crop science centre at the University of Saskatchewan. Also to be located at that university is a protein oil starch plant, which is a joint effort between government and industry, with the emphasis on industrial participation. It is designed to move research forward into production so that new ways may be found to market our grain and new markets found by having a variety of products with which to gain access.

We did not neglect the cash position of farmers in the interim period. We introduced the two price wheat program at a time when it meant many millions of dollars from the treasury to the western farmer. At that time international prices for wheat were in the order of $1.70 a bushel, and our two price wheat program was based on a domestic price equivalent of $3. For several years, therefore, large sums of money were transferred to supplement the prairie farmer's income when he needed it so very badly.

We have been facing the income problem in other ways as well. The cash advance program has been constantly improved. From the time of our beginning this work to now, a fivefold increase has effectively taken place in the maximum cash advances, to a present limit of $15,000 per permit holder compared to $3,000, which was the figure in 1968.

An hon. member has mentioned the transportation and handling system. That is one of the other major areas which require further attention in the next number of

months, in an effort to assure that the large amount of work which has gone into analysing the various costs of the components of the system may be now brought together by those who manage those components, but more particularly, by the community as a whole for the best advantage to prairie farmers and the communities upon which they depend, and which depend upon those farmers.

We did not stand idly by in regard to handling and transportation. The block shipping system assured that we could meet some of the challenges of the export levels which were being achieved.

We are now faced with the major challenge of the new investment which is required in the system. At this point we have ordered a further 4,000 hopper cars; this in recognition of the fact that these cars are an important part of the handling and transportation system, no matter what kind of solution is developed in terms of the total system. It is not the capacity of the existing system which is so much a challenge as the cost of that system as it exists, and as it would exist as labour and capital costs grow, and as so much of the system, which requires replacement, is in fact replaced.

The purchase of hopper cars at a cost of $46 million for the first 2,000, the repair of some additional boxcars and keeping them in the grain service at a cost of $5 million, are other examples of measures taken to assure that we could move the grain with the existing handling and transportation system. Co-ordinators were appointed at the terminals for the same purpose, to make sure that maximum advantage was taken of the available cars in the service of grain.

One of the major other methods which we are using in attempting to put the grain industry of Canada, and therefore particularly the prairies, in sound and solid shape, is this stabilization program which is now again before the House of Commons.

When we began to examine the grain industry and to consult—as we have done so widely with farmers throughout the prairie region—we found that, alongside the income problem, there was constant concern about the problem of stability, about the problem that good years and bad years could follow so closely, and that the bad years which a farmer saw were not necessarily related to his level of production. We were at the same time developing crop insurance programs which could deal with the specific problem of difficulties in production with individual farmers.

But so often on the prairies, because of prices and, more particularly, export opportunities, even when a good crop was being produced, income problems were suffered in days gone by. Because this product is so much more dependent upon export than most of our agricultural products, the ordinary approach of stabilization acts, which were known before that to this House and to this country, in stabilizing by trying to protect the price of the product, seemed to us on examination to be an inadequate technique in the case of grain. Price alone was only one of the factors which affected farm income.

The volume of product which could be moved into international markets could be even more significant. Often the difficulty in moving the product and low prices might accompany each other, but any program attempting to stabilize income had to take both of these factors into consideration. This is what first led us to the conclusion that the right kind of stabilization program for the grain industry was one which tied the level of production to the flow of cash into the grain industry, and in years when that flow of cash declines either because of price, volume, or a combination of the two, there should be support from a stabilization fund.

The bill which is before the House includes a levy from producers on the sale of their grain. This levy is initially and ordinarily set at 2 per cent of the sales value of the grain products. In the ordinary course it will be matched by a payment of twice that size from the federal treasury—in the order, therefore, of 4 per cent of gross sales.

● (2120)

The importance of this, Madam Speaker, is that once again the stabilization program, while aimed at the illness of instability, is at the same time another form of assistance on the income side to the prairie grain farmer. The stabilization fund will receive the levy from the farmers and the 4 per cent, with variations possible, from the federal treasury. As the pattern of past income levels has shown, these amounts will be paid out to the prairie farmer in such a way that he will receive the money he needs in the years he needs it most.

In summary then, on this basis of historical pattern the contribution from the federal treasury will mean an additional 4 per cent compared to what the market would otherwise produce. This is in addition to other programs which have been put in place which add income in one way or another to farm income, such as the program to pay part of the cost of storage of grain which was contained in the feed grains policy. We are prepared to pay up to $40 million for storage of grain in connection with the obvious need of the producer of that grain for security and, therefore, the logical obligation to attempt to have someone other than the producer bear the cost of that security.

If this stabilization plan had been in effect in 1974, for example, the levy would have produced approximately $90 million from the federal treasury on the basis of present estimated gross sales of grain. If the plan had been in effect in some of the difficult years, 1968 to 1971, for example, and if there had been full participation by prairie farmers, there would have been payouts of $97 million in 1968, $237 million in 1969, $230 million in 1970, and $50 million in 1971 when cash positions were beginning to show an improvement in the prairies.

In this bill we have introduced the protection of the prairie region grain farmers on the basis of net cash flow. Net cash flow is the cash remaining when the gross receipts for grain have had substracted from them the cash costs of producing grain in that year. This means that the plan will be sensitive to changes in the cost of production as well as changes in receipts where based on volume. In theory at least, and indeed in fact, if the total receipts from grain remain the same in a good year compared to the previous five year average, when the rise in cash costs of producing grain occurs, the payment out of the stabilization fund could be triggered by that narrowing of net cash as a result of this production cost increase.

The significance of this to the individual farmer may be examined in more detail when the bill is in committee. As an example, however, I should like to take the case of someone who farms a medium sized operation in the black soil zone of the prairies, and who has attributed to him an average of the production for such a size in that area. If the plan set out in the bill had been in effect in the years 1965 to 1975 this farmer would have shared in the payouts made in the years 1968 to 1971. In 1968, when his gross receipts would have amounted to $20,771, the stabilization payment to him out of the prairie total of $97 million would have amounted to $1,939.

In 1969 that same farmer, with gross receipts of $13,254, would have received, out of the prairie stabilization payments of $237 million, a payment of $4,406. Hon. members can see the significance of that kind of payment to someone on a medium sized farm in the black soil zone.

In 1970 his payment would have been $4,137, in a year when his gross receipts had totalled $14,033. In 1971, when his gross receipts would have risen to $18,288, he would have received a stabilization payment of $880. When one considers that this farmer had to try to meet his obligations—or more likely arrange his obligations—with the cash which he had available from his gross receipts, one can see the importance to him of payments like this, particularly in the difficult years 1969 and 1970.

This stabilization plan is based on receipts throughout the prairie region. There will be some who will think it should somehow deal with crop insurance problems as well as the stabilization ones I have described. That is not the case. A good crop insurance plan such as that which my colleague, the Minister of Agriculture (Mr. Whelan), is trying to encourage his provincial counterparts to develop, with his financial support being an important part, is still extremely important for individual farmers. We are delighted to see the widespread availability of crop insurance plans throughout the prairie regions now. We believe those plans can still be made to meet the particular needs of individual farmers and reflect more fully the value of grain on their own cash costs of operating.

Crop insurance will still be a desirable feature for individuals to deal with in circumstances where it can affect the individual crop. The stabilization plan deals rather with the over-all problems which can affect the grain industry as well, particularly those international market conditions which have such tremendous effects on volumes and prices.

● (2130)

The only relationship between crop insurance and this stabilization plan lies in the fact that crop insurance benefits may be brought into the plan by the person who receives them as though they are grain receipts, so that the level of his benefits may be maintained through a difficult crop period. The better the crop insurance plan is, the better will that objective be met.

This plan, like its predecessor, is based on a five-year average preceding the year in question. The net cash receipts in this plan, therefore, unlike the simple gross receipts of the previous plan, will be the base upon which the payment out is to be calculated. When payment out is made, it will be made to all participating producers on the prairie provinces basically in proportion to their recent participation in the grain market. For this purpose this bill uses the current and two preceding years to determine the level of participation of that producer, according to the value of his receipts from grain.

There will be some who will argue that this plan would be more sensitive to the needs of farmers in the prairie provinces if it were calculated and triggered on a regional basis, or an area by area basis, rather than on the figures of the prairie region as a whole. We have given a great deal of thought to the question of whether it would be possible to regionalize the plan in that way at this time. We have accepted the proposition that, in theory, it would be desirable to introduce a certain degree of regionalization, but we found it difficult, indeed I might say a practical impossibility, to obtain cost of production figures in particular on a regional basis at this time. We therefore propose to ask the House to approve the bill on the basis of a prairie-wide calculation, and will attempt to introduce regionalized data as soon as adequate figures based on those regions can be obtained.

We have, in this bill, introduced a further feature, the right of individual producers to opt out. In our many discussions with organizations and the western provinces this, among other features of the stabilization program, has been discussed, and there are still some differences of view as to the desirability of this particular right to opt out. There is some fear on the part of some organizations that those who should least do so may be the ones who will opt out and lose the protection which this stabilization plan will give them.

The protection of the stabilization plan is evident in this calculation: if the plan had been in effect for the 20 years 1954 to 1974, for every dollar of farm payments into the plan, farmers on the prairies would have received from it $3.53. The basic value of the plan as income assistance therefore must be clear. We thought, therefore, that we could count on the assistance of leaders of farm opinion and the provincial governments, as well as on our own discussions about the value of the plan, to persuade those who are eligible to remain in it and, at the same time, give them the right to opt out. The bill as it now stands gives that right to those who are farming at the time the law comes into existence.

There has been some further comment about the extension of this right to new farmers who may be coming into operation hereafter. I am prepared to consider with hon. members in committee whether this opting out feature ought to be extended to them as well.

The bill, Madam Speaker, is a major further form of protection to the grain farmer. It is income assistance in the sense that it involves a contribution from the treasury. It is stabilization in the sense that it will make payments out in those areas where those payments are most likely to be required. It is not stabilizing in the sense of limiting the amount of income which the market may bring to grain producers. It remains a fact that the market, both international and domestic, will provide the chief form of income for our farmers engaged in the production of grain.

We have in this program, and in the others to which I referred earlier, added forms of assistance to those farmers, to help assure them that their incomes may be ade-

quate. We have done this as part of the government's over all policy of attempting to make sure that farm incomes are adequate. We want to ensure that the farmer obtains a reasonable return for his labour in agriculture from two sources, from the market place, and from the treasury where required, because we are convinced that our agricultural production is important at home and abroad. It is important for our own needs and is important in terms of our obligation to assist others in the world.

We are convinced, as well, that those who are engaged in the production of agricultural products must have, as a result of provincial and federal government policies, adequate returns so that they will be encouraged to produce as effectively as they can. I therefore commend this bill to the House. I hope it will soon move to committee, where it can be further discussed. Without doubt, some of its provisions are complex.

I should like to see the bill become law in time to be operative in 1975. It can be an extremely important form of protection to our grain farmers. It is one further extremely important building block in the protection and assistance we are creating in order to assure the farmers of this country a reasonable income, so that they can earn the kind of livelihood they and their families want. We want to see as many farms as possible continue their existence in this country.

Mr. Benjamin: Madam Speaker, will the minister permit a question? I do not think his time has expired.

Mr. Lang: Yes, Madam Speaker.

Mr. Benjamin: Madam Speaker, the minister said he hopes this bill will move forward quickly. As it was among the six or seven most important bills before the House just before Christmas, and as we have not heard about it until today—it was brought on at three hours' notice—may I ask the minister, once we finish with the bill this evening, how soon will we see it again? When will it be called again?

Mr. Lang: Madam Speaker, the exact ordering of business in this House depends on a number of things. Matters as important as this are sometimes drawn aside by the rather lengthy list of speakers from the opposition.

Some hon. Members: Oh, oh!

Mr. Lang: They are members of the party supported by the hon. member for Regina-Lake Centre (Mr. Benjamin), and members of the official opposition. Questions concerning the order of House business should be directed to the government House leader, who is concerned about items which must be dealt with by the House. I am also sure that the agricultural committee is occupied at the moment with the other important stabilization bill before it. I hope this one can soon join the work of that committee, for the good of the prairie region.

● (2140)

Mr. Frank Hamilton (Swift Current-Maple Creek): Madam Speaker, I can certainly agree with the minister that this is a complex bill. There is no way that it can be rushed through the House even though an N.D.P. member says we have been waiting for this bill since last Christmas.

The minister gave us the whole load tonight. He placed a lot of stress on everything that has been done to help the marketing situation as far as western grain is concerned. All I can say is that the minister is making the best of a bad situation because we now have the lowest export position of the past five years. We are some 150 million bushels below two years ago.

The Western Producer of April 17, in a black border on the front page, headlines "Grain Marketing at Five-year Low". I quote from the article.

> For the crop year to date both the marketings of grain and oil-seeds by Canadian farmers as well as the total exports stand at the lowest levels since the 1969-1970 crop year, according to official notices.
>
> Latest reports from the Canadian Grain Commission indicate farmers marketings at 388.3 million bushels for the crop year to date, the lowest for this 35-week period since 1969-70.
>
> Likewise, total exports to date in this crop year—314.1 million bushels—represent the lowest volume for this period since 1969-70.

One of the first things we must question is why the minister in charge of the Canadian Wheat Board is introducing this bill rather than the Minister of Agriculture (Mr. Whelan). The Canadian Wheat Board Act stipulates that the objectives and powers of the wheat board are confined to only that of a marketing role. This bill deals with six principal grains, three of which are not under the jurisdiction of the Canadian Wheat Board.

The purpose of Bill C-41 is to provide for stabilization of the net proceeds from the production and sale of western grain, and to protect the producer from the ups and downs of the prices and the quantities that move into commercial market.

It is generally conceded that by confining ourselves to practical farming methods already used by the good farmers in different parts of the world, the world's cultivated and pasture lands could feed something like ten times our present population; not at a subsistence level but on a Canadian style of diet. They can do this if the profit incentive for farmers to take the risk inherent in agriculture and to increase their output and productivity is not limited by the actions of government.

To be very certain that we have a clearer understanding of the effects of this bill, it will be necessary to look at all aspects of it. The hope is to find ways for improvement, so the first question we have to ask is: do we really need this new scheme for western grain at this time, or is there some alternative course that we should take?

The concept may be valid and it may be needed for products such as eggs, fruit, and Ontario corn, and potatoes, but will it be administrable for grain without creating a bureaucratic structure that could overwhelm us? Will the existing PFAA group be the base upon which stabilization will rise? It is not the concept of the grain stabilization plan that is complex and unattractive. It is the operational and administrative features that require understanding.

In its notes on the western grain stabilization working paper put out by the government, it seems that the main selection criteria used was the cheapest plan for a given level of stability, and a plan that is actuarially sound. It is stated on page 11 of that booklet that the net cash flow

plan gave the most significant increase in stability over the base plan per dollar of incremental cost to the government.

This, however, in no way argues that it is an optimun plan to either government or producers. The key question becomes: what stability is really provided to commercial western grain producers, and at what cost? That is, what are the costs and benefits from such a program compared to alternatives?

From the latest figures I have looked at, we can expect that about one half of the commercial grain sales in western Canada will be covered by the $25,000 gross sales limitation. There is no evidence that farms with sales of $25,000 or less are in greater need of grain stabilization as opposed to larger grain farmers. Clearly, under a continued inflationary environment it is unlikely that the degree of coverage would rise from depressed prices. Rather, one can only expect that the volume of grain output covered would decline by 5 to 10 per cent per year. Therefore, the statement that the "$25,000 limit is subject to change so that it accommodates trends in price levels and in farm development" on page 14 of the government working paper is vitally important to confirm.

The bill appears to take the narrow view that the government is giving out money benevolently to provide some stabilization, and the level of the gift is the key focus. There are, however, direct and indirect benefits that the government receives, as well as the farmers. For example, if a stabilizing net cash flow payment occurs, there is likely to be a four to five times multiplier effect on the prairie economy.

Assuming standard tax levels, it would seem that the federal government would get back anywhere from $1 to $1.50 for every dollar it pays out, and that the federal financial authorities might attempt or be able to deduct such payment from federal transfer payments to the provinces.

The point is that the program is unlikely to have a net cost to government at all. Therefore, why have the $25,000 gross sales limit? Larger farm spending could be expected to have similar multiplier effects, so the question becomes; is the middle-size farmer the appropriate structural objective for western grain stabilization?

There will be lots of questions raised about entry, reentry and getting out later. Who administers the program, and who pays the administrative costs? There is also the question about the three-year system of calculating individual pay-out that penalizes those producers who are expanding outputs as compared with those who are stable or who are reducing output. Hence the plan would seem to be biased against young farmers.

We go back to the first question: do we need this scheme, this whole new ball game for grain now, and will it be administrable? It seems that the economists who worked up this plan may have been looking backwards too much. Certainly this scheme was needed 20 years ago. When we look to the future, I am not so sure. We need a list of priorities, and right now. I suggest labour disputes, transportation, high taxation and high interest costs should be right at the top. What alternative is there to this plan? We have the basis for a good crop insurance program

[Mr. Hamilton (Swift Current-Maple Creek).]

administered by each of the western provinces. I would much prefer to see more stress placed on improving the crop insurance program at this time.

We need a plan to take account of regional differences in the Canadian Wheat Board area, such as climate and soil type. Bill C-41 deals with the prairie economy as a whole. One of the dangers to a plan such as Bill C-41 is that it tends to shelter the farmer from the marketplace. It is another block between the producer and the realities of the marketplace. The government could be doing much more to bring about a meaningful international grains agreement.

● (2150)

There should be some means of reassessing this program after it has been in operation for four or five years. It seems to me it will reward those whose production is declining, but do nothing for those whose production is expanding. We might ask if farm to farm sales are to be excluded. What about the eastern grain growers? Are they not interested in this scheme? Should they not be treated in the same way as western grain growers? What about grain used for feeding on the farm?

If, as I suspect, this scheme is based on the experience of the last 25 years, surely we may reasonably expect the next 25 years to be better for agriculture. Thus, I very much question the actuarial basis which has been used, especially when the two key factors are mother nature and people.

I hope the administration of the bill will be looked after as a separate entity, and that it will be kept completely outside the Department of Agriculture. There is one thing the bill will do: it will serve as a perfect red herring to cool the whole transportation and grain situation for the government. Farmers will be kept busy all year trying to figure it out.

Grain exports are presently at their lowest point in the past five years. This stabilization plan will be understood by perhaps one out of every 1,000 producers. It ought not to be rushed through parliament. I am not aware of any producer pressure for it. We seem to be beset by any number of pressing problems affecting the grain industry. Let me mention some of them—grain transportation, rail line abandonment, the need for improved facilities at Churchill and the Pacific seaboard, a system for payment on the basis of protein content, the need to develop a soft white wheat for export, the need for a government grain storage program, the need for a measure of tax relief, the increase in labour strife and industrial disputes, the importance of developing an effective chemical designed for insect and wild oat control—

Mr. Alexander: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): Measures are needed to arrest the decline of the rural population. Surely the government should consider using the taxation system for this purpose. When we consider the magnitude of past errors in judgment affecting the western grain industry, there is room for a lot of research here.

Great advantages may attach to the stabilizing of other products but I question the need with respect to grain at

this time. We need to continue to improve crop insurance schemes in co-operation with the provinces. If not properly understood and carefully administered, Bill C-41 could displace the centre of gravity of the whole western grain industry. If the government wants to stabilize income out there, the taxation system might be used to that end. I hope the agricultural committee intends to hold meetings in the wheat board region to hear evidence in connection with this measure, since the bill before us is a complicated and important one.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, I appreciate your patience in waiting a few moments until I had arrived in my place. I shall endeavour to mind the store until ten o'clock so that on another occasion we may consider this bill at greater length.

We were told at about 5.15 this afternoon that this bill would likely be called today. I am mindful, too, that in mid-December we were told by the government House leader that it was among five or six bills which were to be given top priority and that it would be dealt with on an urgent basis. It seems to have got lost in the shuffle since then. I do not know whether the minister in charge of the Wheat Board is bringing it in now because it is my birthday—at least it will be tomorrow—but I cannot think of any other reason for the length of the delay.

The minister, in the course of his speech, went over the history of grain stabilization. I shall not review what he said because I do not wish to revive certain sore points or refer to what happened in days when the hon. gentleman's skin was somewhat thinner than it is today. I would only remind hon. members that the history of grain income stabilization proposals shows us that while all parties could probably agree on the principle that some form of income stabilization or guaranteed prices is desirable, the government has never been able to come forward with legislation which the opposition was capable of understanding or supporting, or both.

As we have already heard, this is an extremely confused piece of legislation. One has only to read pages 9, 10 and 11 to realize that no farmer, certainly no member of this House with the possible exception of the minister in charge of the Wheat Board, will be able to understand how the bill will operate or how it will be applied. That is why we should like to spend some time on it during second reading.

We believe the legislation to be sufficiently important as to justify the Standing Committee on Agriculture holding hearings in two or three dozen places in the region of Canada covered by the Wheat Board, in order that farmers may appear, both as individuals and through their organizations, ask their questions, and obtain a thorough understanding of these proposals. Close examination of the legislation suggests to me that the government will put less into this program than into others, in fact that in most years it will take more away from western farming than it will put into it.

May I call it ten o'clock?

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSING—NEIGHBOURHOOD IMPROVEMENT AND RESIDENTIAL REHABILITATION ASSISTANCE PROGRAMS—REQUEST FOR INCREASED FUNDS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I see we are honoured to have the minister himself here. The question which I am again debating tonight has to do with the residential rehabilitation program, a subject which I have sought to bring to the minister's attention many times before. I can only repeat in the interests of the part of Canada I represent, that the program is ideally suited to my district, one which unfortunately includes thousands of low income families to whom such a program should be directed.

The program is divided into two areas—the neighbourhood improvement program, and the rural and native housing program—under which citizens receiving incomes of $6,000 or less can borrow up to $5,000 to bring their homes up to a reasonable standard while taking advantage of a forgiveness factor of $2,500 which they would not have to repay. It is almost two years since these programs were announced, and yet at this moment little or nothing has been done to direct the advantages to those who would benefit.

● (2200)

All I seem to get in reply to the many representations that I have made is a reiteration of the answer that it is up to the various provinces to designate the areas that would qualify under neighbourhood improvement, or rural and native housing programs; or, to further aggravate the situation, it is said in turn that the various municipalities have to declare occupancy standards. The other aggravating answer that I continually receive is the notion of a great decision that has to be made over the matter of declaring areas of designation as to population on some basis of priority.

The simple solution to the problem, in so far as my district is concerned, is that the whole of the province of Newfoundland should be designated, because statistics support the fact that the condition of accepted standards for homes is far below the national norm, when taking into account the numbers of homes lacking the most basic services in the province of Newfoundland.

In taking advantage of the opportunity afforded me tonight to make a plea again to the minister, since it becomes increasingly obvious, after the length of time that the programs have been in effect, that something is wrong in the thrust to initiate such a worth-while program which would help so many Canadians and most particularly those living in rural Canada, and rather than criticize the minister for the apparent lack of attention, I offer an alternative as a responsible idea to give Canadians the opportunity to take advantage of the relief features which could be to the advantage of low income Canadians. I

suggest that on a national basis a program exists which can be directed directly to the low income Canadian under the home improvement loans plan, whereby homeowners can apply for loans of up to $4,000 for home improvements.

I suggest to the minister that, rather than having to go through the provinces and the municipalities, the home improvement program be extended to Canadians under the following conditions. First, that homeowners be given the opportunity to apply for home improvement loans directly to CMHC under present conditions. Second, that the present program be amended to raise the amount to $5,000. Third, that in addition the program be amended to provide the forgiveness factor under present conditions of rehabilitation, commensurate with the national code. Fourth, that the staff at CMHC offices across Canada be enlarged to take care of the added workload, and that the present capability be decentralized to take in the provision of service to rural populations.

It is obvious that the minister is having some difficulty in providing relief to low income Canadians who require decent and acceptable accommodation, and I offer that with such a thrust thousands of Canadians would be afforded the opportunity to continue to live in decent and upgraded accommodation and shelter in the locality they wish, thereby relieving the housing crisis which exists in Canada today. I would appreciate a sympathetic response from the minister, and I know I can expect some sympathetic consideration.

Hon. Barney Danson (Minister of State for Urban Affairs): Madam Speaker, I have been impressed by the continued interest of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) in the NIP and RRAP programs. I was particularly interested in his reference to the home improvement loans program and the specific suggestions that he made, suggestions which I can assure him I will take into consideration in reviewing the programs as I promised the provincial housing ministers I would, and as we look for new ways to assist the hon. member's constituents and other low income Canadians across the country.

The hon. member suggested that there have been undue delays in the implementation of NIP and RRAP, the neighbourhood improvement program and the residential rehabilitation assistance program. We have made tremendous headway in bringing in these new programs.

First of all, with respect to the Neighbourhood Improvement Program, we signed the necessary agreements with all ten provinces for 1974 and are in the process of negotiating the 1975 agreements now. In 1974, $48½ million was allocated for grants to municipalities, and $50½ million has been budgeted for 1975. So, we are seeing increases as it comes on stream.

Following the signing of the 1974 agreements, the provinces designated 86 municipalities in which neighbourhood improvement areas were to be selected. These municipalities have selected 87 neighbourhoods, and activity has proceeded to the implementation stage in 34. The other 53 are at the planning stage. The selection of an additional 20 neighbourhoods is in process. The people who reside in these neighbourhoods are actively engaged in determining the needs of the neighbourhoods for assistance under the

[Mr. Marshall.]

legislation. I think we can be proud of these achievements. I am delighted with the support we have had from the provinces and municipalities and I am sure, as we move through 1975, that this program will show further very positive results.

We must not overlook that it was this House that passed the legislation that required municipalities to adopt bylaws of minimum maintenance and occupancy standards. All the municipalities participating in the program have had to enact these bylaws, and this in itself is a most important achievement.

Turning next to the implementation of the Residential Rehabilitation Assistance Program, as hon. members know, the legislation prescribes that grants and loans for the rehabilitation of substandard property can be made available in NIP areas or in areas especially designated by Order-in-Council. Now that we have 87 areas designated under the NIP program, it is possible for CMHC to apply the benefits of RRAP, and I am very happy to be able to inform the House that rehabilitation loans and grants have been made in 22 municipalities, and a similar number of municipalities will shortly be in a position to benefit from this program. I should mention that it would be inappropriate for me to take all the credit for these programs since this more properly belongs to my predecessor, and to the provinces and municipalities which have so wholeheartedly co-operated with us.

It has been suggested that the rural and native housing program announced last year by the federal government has been slow in getting started. No one is more anxious than I to get this program moving. I would like to assure the hon. member for Humber-St. George's-St. Barbe, and other members of this House, that we are proceeding as quickly as possible with the delivery of homes and the rehabilitation of dwellings under this program. Under agreements which we signed some years ago with the provinces of Saskatchewan and Manitoba we have provided 848 units for low income residents in remote northern areas. Agreements have been signed with Newfoundland, P.E.I., New Brunswick, Manitoba, Alberta and British Columbia, and signings with other provinces are expected shortly.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the minister, but the time allotted to him has expired.

AIR CANADA—POSSIBLE INCLUSION OF WINNIPEG FINANCE BRANCH IN TERMS OF INQUIRY

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, I would like to begin by commending the Minister of Transport (Mr. Marchand), through you and the parliamentary secretary, for initiating a public inquiry into Air Canada's management with regard to the payment of $100,000 to McGregor Travel Agency of Montreal. The Minister looked objectively at the situation, saw the problem, and made an appropriate and accurate response. Now he must extend his objectivity and sincerity to the equally serious problems at the Air Canada finance branch in Winnipeg. There are a number of reasons why this situation is even more serious and in much more desperate need of a full public airing of the facts.

The labour-management dispute at the finance branch has been going on for almost two years. Winnipeg members of parliament have received countless telegrams and letters from employees during that period, pleading for some help in resolving the dispute.

During the last session of the twenty-ninth parliament and up to this point in the thirtieth parliament, this issue has been raised 28 times in the House of Commons, by members from both sides of the floor. The fact that this has resulted in no government action is in itself ridiculous.

● (2210)

The employees of Air Canada in Winnipeg cannot reasonably be expected to work in the present atmosphere. The general manager of the Winnipeg finance division, in a circular to all employees two months ago, stated that he hoped to "return the Air Canada work place to a satisfying and efficient place of employment". By his own admission it is not that now. From the company's point of view also it is imperative that the situation be resolved.

As of late 1974 the accounting service division had over 100 man years of work backlog. The billing schedule is presently eight weeks in arrears, amounting to a sum of $127 million. The manager of Air Canada audit services estimated the cost of the late billing to be in excess of $1 million as of November, 1974. This cost has risen since then, and this is money from lost interest charges, which is actual lost revenue for the airline. Can Air Canada afford this? Its 1974 deficit was blamed on rising fuel costs. How can this contention be justified when millions of dollars in bills go uncollected?

There is another major cause for concern as a result of the present situation. Air Canada's flight performance quality control recording is done in Winnipeg, and with an eight week backlog in billing one might reasonably suspect that this is being neglected as well. Several recent events have supplied potential evidence for this suspicion, such as the emergency landing of a DC-9 at the Ottawa airport on April 22 after one of the plane's two engines suddenly reversed thrust and, according to newspaper reports, blew up.

On March 25, flight 154 from Edmonton to Toronto taxied out to take off, only to have the aircraft rocked by the right engine following a compressor failure, after which it stalled. After this happened a second time, another Lockheed 1011 was flown in from Calgary to transport the passengers. The second aircraft taxied out, only to have the same malfunction repeat itself. By this time people were telling the pilot to let them off at the end of the runway and they would walk back. Two successive aircraft suffered the same flight-stopping engine malfunction.

It has been reported that on February 11, 1975, there were two cases of accidental depressurization aboard Air Canada DC-9s. These happened on aircrafts 732 and 735, and are added to a number in 1974 that Air Canada management claims not to know about, even though the airline's own maintenance documents prove the events.

You have probably noticed, Mr. Speaker, that I have not mentioned the facts in the actual dispute in Winnipeg. I do not pretend to know who is right or wrong on the various bargaining points. But I know of no one else who can give an objective critique of the situation or offer any solutions to the dilemma. That is the reason why an independent, objective group must be assigned the job before the situation becomes completely hopeless and the airline is permanently damaged.

A group of MPs in a committtee meeting questioning two or three witnesses cannot possibly ascertain the underlying feelings that have prevented a settlement in almost two years of negotiations, or hope to offer a solution.

The facts that I have outlined show very clearly that a solution must be found and the Winnipeg finance branch must be made efficient once more. I submit that the most effective way of doing that is to include the finance branch in the terms of the management inquiry as well as the Dorval maintenance base.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the hon. member for Winnipeg South Centre (Mr. McKenzie) has brought forward several very important questions, and I will try to deal with them as best as I can in the short time allotted to me.

The Minister of Transport (Mr. Marchand) pointed out to the hon. member on April 22, in response to his question, that:

> Anyhow, I think we will carry out that inquiry, see its results and whether it would be advisable to go further and take further action. I am not going to launch three or four inquiries on Air Canada one after the other.

As the hon. member is aware, the terms of reference for the inquiry into the financial administration of Air Canada were tabled last Friday. As I understand it, nothing prevents Judge Estey from investigating the financial activities of Air Canada in Winnipeg, if he decides that this is necessary.

I believe that the labour-management relations question in Winnipeg is a valid one but should be dealt with by the proper forum, namely, the labour-management negotiation process. It is true that the job reclassification issue for Air Canada employees in the financial branch has yet to be resolved. However, since the old contract expires in August of this year and some of the union demands would require changes in the collective agreement over and above reclassification, both parties decided to reopen negotiations early on a new contract. The Canadian Airlines Employees' Association and Air Canada management started negotiations for a new contract on April 8.

In closing I would like to comment briefly on the construction of the Air Canada Winnipeg hangar facility. I think it is important to point out that the facility will be built as quickly as possible and will be of great value to Winnipeg and Air Canada, and that delays in such a major undertaking can be expected. The promises made by the Prime Minister (Mr. Trudeau), the Minister of National Defence (Mr. Richardson), and the hon. member for St. Boniface (Mr. Guay) prior to the election will become a reality.

Adjournment Debate

SOCIAL SECURITY—SUGGESTED INCREASE IN OLD AGE PENSIONS—GOVERNMENT POSITION

Mr. J. Robert Howie (York-Sunbury): Madam Speaker, many years ago Robert Browning wrote these lines:

Grow old along with me,
The best is yet to be,
The last of life for which the first was made.

He could not truthfully have written that the best is yet to be for elderly people in Canada today, where so many of our senior citizens are subsisting at a level of income well below the poverty line.

Because of a weak and vacillating attitude toward inflation and recession, dodging important issues behind the guise of a so-called consensus, the government will now and then shyly approach the vital issues of today and then back away. In all this indecisiveness those who suffer the most and those who deserve most of our concern are receiving the totally inadequate old age security pension.

The government has been told by its advisers that the poverty line is an income of $4,898 per year for families in Atlantic Canada. Despite this fact, it is paying those retired people, whose efforts helped build the present economy, the niggardly sum of $123.42 per month plus, in certain cases, a guaranteed income supplement which averages $66.48 per month.

To say that this paltry sum is reasonable because it is indexed to the cost of living is a pious hypocrisy. The cost of living index covers a broad spectrum of living costs, related to the average family of four. It cannot be realistically compared to the cost of subsistence incurred by senior citizens forced to live on such a limited income where the first and essential expenses of food and shelter are subject to the highest individual increases.

Additionally, the index is published after the changes occur, and the increase in pension, paid quarterly, does not reach the recipient for at least a month after that. It is not made retroactive, although retroactive payments are not unknown to this government.

The people of whom I speak, all 1,892,454 of them, have passed the age of 65 years. This means that they have lived through the hungry thirties as employable adults and in the years of prosperity which followed. In their productive years they made a great contribution to the prosperity and growth of this country. They toiled and paid their full share of taxes. Now we treat them as second class members of society they helped to create.

The old age security pension and the guaranteed income supplement must be raised to a level which will enable these people to live their lives in decency and self respect.

In my view a tax free old age security pension of $200 per month now would be a giant step forward in recognizing the need of our senior citizens, and it cannot wait until the minister develops a new system or scheme. It is indeed an imperative element of any structure of social justice.

I conclude with a quotation which I am sure is familiar to most of my hon. colleagues. They would do well to keep it in mind when this issue comes up for debate, as it most assuredly must in the name of common decency and in the fullness of time: "Honour thy father and thy mother, that thy days may be long in the land."

● (2220)

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, one cannot look at the proposal of the hon. member for York-Sunbury (Mr. Howie) to increase old age pensions, in isolation. It must be examined in the context of the whole set of economic relationships.

There are at the present time approximately 1.9 million persons in receipt of old age security pensions. Any substantial increase in the basic pension would add significantly to the approximately $4 billion we are now spending annually on the Old age security and guaranteed income supplement programs.

The federal-provincial review of social security in Canada has been examining the needs and incomes of all disadvantaged groups in our society. We must be equally concerned about pensioners, the spouses of pensioners, the disabled, single parent families, as well as persons working whose incomes are inadequate to look after their family needs. At the present time many of these groups have incomes which are much lower than the incomes of the elderly. We must correct this inequitable situation by bringing these groups at the bottom up to the higher level.

The federal government is concerned about the financial needs of our elderly population and over the past several years has increased pension benefits substantially. In the last three years the old age security pension has increased by $60 per month. As well, this government has introduced the guaranteed income supplement for pensioners.

I should also like to point out that the old age security pension is now fully escalated every quarter according to increases in the consumer price index, to protect pensioners' purchasing power. This also applies to the guaranteed income supplement.

Today a married couple, both over age 65, are guaranteed an income under OAS and, if in receipt of the guaranteed income supplement, of $4,807. These improvements together with the recent amendments to the Income Tax Act providing more generous treatment to elderly persons, show this government's commitment to the financial security of our senior citizens.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday, April 29, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

SOCIAL SECURITY

GOVERNMENT ACTION TO ASSURE DELIVERY OF PENSION CHEQUES—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to present a motion on a matter of urgent and pressing necessity.

As the postal conflict is very detrimental to our society owing to the delays in the delivery of old age security pension cheques, and as rotating strikes or others cause serious harm to the Canadian economy generally, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the government take immediate steps to settle this conflict which seems to drag on interminably.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

REASON CORPORATION PERMITTED CANADIAN LIBERATION MOVEMENT TO USE ITS FACILITIES TO EXPLAIN OBJECTIVES OF ORGANIZATION—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to move a motion under the terms of Standing Order 43 arising from the anti-American activities of an organization calling itself the Canadian Liberation Movement, and from the considerable publicity of an unfortunate and questionable nature given this movement by the CBC last night on the program "As It Happens". I therefore move, seconded by the hon. member for Winnipeg South Centre, that:

In consideration of the fact that Canada enjoys excellent and friendly relations with the United States, and in view of the anti-American activities of an organization known as the Canadian Liberation Movement operating in various Canadian cities, including Ottawa, and with headquarters in Toronto, the House deplores the placing of printed stickers by this organization on cars bearing the United States licence plates reading "Yankee Go Home" and the House requests the Secretary of State responsible for the Canadian Broadcasting Corporation to make a statement on motions as to why the facilities of CBC radio yesterday permitted this organization to outline its disgraceful plans for harassment of American visitors to this country and for defacement of their property while on Canadian soil.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43, and therefore cannot be presented to the House without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: The Liberals said no.

Mr. Speaker: The motion cannot be put.

Mr. Baldwin: Mr. Speaker, on a point of order, I call attention to the fact that the government is again in a state of disarray with only about nine ministers here to answer a number of questions. What we see is an example of "ministers, stay away from home".

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

POSSIBLE DISOBEDIENCE OF BACK-TO-WORK LEGISLATION BY QUEBEC LONGSHOREMEN—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Justice, who told the House yesterday that his department was investigating whether the legislation affecting longshoremen in St. Lawrence river ports has been disobeyed. Has the minister now determined if there has in fact been disobedience, and can he inform the House what course of action the government is following?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is our intention to proceed as quickly as possible to take whatever steps are available to ensure that the legislation is obeyed, and that the work of longshoring is undertaken again in these three ports.

Mr. Stanfield: Is it the position of the minister, as was indicated yesterday, that investigations are continuing, and is it the intention of the government that if it is found on the evidence that the law has been disobeyed, the government will proceed on the basis of such disobedi-

ence, or is there some other course of action the government intends to follow?

Mr. Lang: It would be our intention to obtain the necessary information and to proceed to make the law as effective as possible.

Mr. Stanfield: I wish the minister would give a straightforward answer to a very simple question. Is it the intention of the minister to proceed on the basis of what has taken place? In other words, if there have been breaches of the law, is it the intention of the minister to prosecute, or is the government seeking some other way of securing compliance with the law?

Mr. Lang: I could almost have answered the first part of the previous question with a simple yes, but it was because the Leader of the Opposition went on to add a contradictory portion, which I could scarcely handle in one answer, that I had to choose my own answer. It is, of course, our intention to see that the law is made effective. It may well be that injunctions are the logical method at this stage. Questions will arise as to whether there is enough material for other proceedings, and our general policy is to proceed in whatever way the evidence available suggests is permitted.

* * *

AGRICULTURE

FEED GRAIN—SUPPLY SITUATION IN QUEBEC AND GOVERNMENT ACTION TO ENSURE CONTINUITY OF SUPPLY

Mr. John A. Fraser (Vancouver South): I have a supplementary for the Minister of Justice. In view of the uncertain response from the minister yesterday, can he advise today whether Quebec farm producers are obtaining sufficient feed grain and for how much longer supplies of feed grain will be available?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, according to the information I have, they are getting grain from Montreal and from Quebec City.

Mr. Fraser: I have a further supplementary for the Minister of Agriculture, the Minister of Justice or the Minister of Labour. In the event that longshoremen continue to defy the back to work legislation, what plans does the government have to ensure necessary feed grain deliveries?

Mr. Whelan: Mr. Speaker, we said that we would do our utmost in the last instance, and we did that. As far as I know, no livestock or poultry went without food during that trying time.

● (1410)

Mr. Fraser: Mr. Speaker, the question is, what plans has the minister got in the event that the longshoremen do not do back to work?

Mr. Whelan: Mr. Speaker, if we announced our plans now they would not be much good when they were needed.

[Mr. Stanfield.]

HOUSING

GOVERNMENT POSITION ON REDUCTION OF MORTGAGE INTEREST RATES—REQUEST FOR STATEMENT ON NEW MEASURES TO STIMULATE CONSTRUCTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Since the minister was described on CBC radio this morning as being in a state of anger when he heard that another lending company in Toronto increased its mortgage rate by a percentage point, and since the minister says he has been in that state about mortgage rates since last August when he became minister, can he tell the House when the government will be announcing concrete legislation or a course of action to lead to an early reduction in mortgage rates?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am sure the hon. member is aware that there are a number of pieces of legislation already in effect which are helping people, especially low income groups, cope with the housing problem to the extent that AHOP is again at unprecedented levels of success. This helps lower income people reduce their interest payments. I do not set interest rates, Mr. Speaker, but we respond to them in the form of low, direct interest payments or subsidies and we are continuing to do this.

Mr. Broadbent: A supplementary question. Subsidies leave the vast majority of Canadians out of the picture, and I would ask the minister to keep that in mind when he answers this question. He said in the House yesterday that when he had new programs to announce he would do so in the House. While he was speaking, however, his parliamentary secretary was making a speech in British Columbia during which he announced that some new programs would be forthcoming. My question to the minister is, what are those new programs and when can we expect the details to be announced in the House?

Mr. Danson: Mr. Speaker, I will make announcements as soon as I possibly can. I still have some consultations with my provincial counterparts. We are examining; not new programs specifically, but the reinforcement of those which are already showing a high degree of success.

Mr. Broadbent: That should not involve many programs, Mr. Speaker. My final supplementary relates to the level of unemployment in the construction industry in Canada. Since 25 per cent of those normally employed in the construction industry are currently unemployed, would the minister ensure that these new programs will have as their ultimate objective double the proposed number of units he originally planned for 1975 and set a minimum objective of 400,000 housing units rather than the 210,000 housing units?

Mr. Danson: As I said yesterday, Mr. Speaker, on the government side of the House we deal in the realm of reality. Our wishes would not be confined to the 400,000 the hon. member mentioned yesterday. The ability of the economy and the industry to deliver is the governing factor. If we went to the numbers the hon. member suggested there would be an uncontainable inflationary spiral. Nevertheless, I fully appreciate the employment

consequences on the construction industry which are probably higher than any other segment of the economy, with a job spinoff of at least three to one from on site to off site, plus those which are created in other sectors of the economy. That is part of my thinking and, I am sure, that of the Minister of Finance.

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[*Translation*]

SUGGESTION LOANS BE GRANTED AT REDUCED INTEREST RATE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

Can the minister explain to the House why the government cannot extend loans to Canadian taxpayers at the same rate as to foreign countries, including Cuba which has been granted a $10 million loan at 3 per cent interest over a 30-year period?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I think the two problems are unrelated. I appreciate that we have an obligation to countries less fortunate than we are; while our problems are great, they do not compare with those of other countries. I think we approach each in a different way.

[*Translation*]

Mr. Allard: Mr. Speaker, I have a supplementary question.

Considering that these loans are for extended terms nearly 40 years and that when this period is over, most of the houses are mortgaged to the hilt, to the extent that their owners are even unable to repair them, does the minister find it normal that in addition to that, homeowners must pay in interests as much as three times the value of their houses, not to mention maintenance expenses?

[*English*]

Mr. Danson: Mr. Speaker, the hon. member raised the interesting point about the amortization length of mortgages. That is something we are examining. In addition, I believe he mentioned repair provisions within our rehabilitation programs. Those are receiving very high priority as well.

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TRADE

INCREASE IN DEFICIT—SUGGESTED INTRODUCTION OF PRODUCTION INCENTIVES TO INCREASE EXPORT SALES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce, but, in view of his continued absence, I will direct it to the Acting Prime Minister. As Canada has just experienced its largest quarterly trade deficit in history, and the trade deficit on manufactured products, which are the ones that produce the jobs, having increased from $6 billion in 1973 to nearly $10 billion last year, may I ask the Acting Prime Minister if the government has finally come to the conclusion that the introduction of incentives to induce greater productivity is long overdue, as is more research and development to lower costs and selling prices, and thus make Canadian products sell more readily on export markets and in Canada.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I should inform the hon. member that the Minister of Industry, Trade and Commerce is today meeting with his business advisory committee and, I am sure, pursuing the sort of discussions the hon. member would want him to pursue. On the question in general, as the minister said and as I have said, one of the reasons for our growing deficit is the fact that we are relatively more prosperous than our customers and suppliers and our imports tend to go up more quickly than our exports.

Mr. Baldwin: Let's not have any commercials.

Mr. Hees: A supplementary question, Mr. Speaker. As the minister has been giving the House the same story for the past year to try to explain his pathetic performance, while our trade went from bad to disastrous—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps the hon. member will ask his question.

Mr. Hees: I ask the Acting Prime Minister, who is a former minister of trade and commerce, to point out to his colleague that the motto of his once great department used to be: When the going gets tough, the tough get going!

Some hon. Members: Hear, hear!

* * *

TRANSPORT

LOSS OF GRENADES DURING TRANSIT BY RAILWAY—REQUEST FOR INVESTIGATION OF SAFETY PRECAUTIONS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is directed to the Minister of Transport. On Tuesday of last week I asked the Minister of National Defence what security measures are taken by his department or by the Department of Transport when transfers of explosives are being carried out. In view of the reply given and as ten hand grenades were stolen, eight of which were found in a sand box in a school playground in Chilliwack, I ask the minister to describe to the House the precautions that are taken by the Departments of National Defence or of Transport in connection with shipments of this type.

Mr. Speaker: Order, please. I am sure, despite the very important and urgent nature of the question, the question period is not really the time for the minister to outline that kind of information.

Mr. Patterson: Mr. Speaker, may I direct this question to the minister. I wonder if the minister would agree to carry out a thorough investigation into the circumstances

surrounding this particular incident which caused much concern in the city of Chilliwack, in my constituency.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, yes, part of the responsibility is that of the military, and the other part is that of CN. In the meantime they still do not have these things under lock. There is something here which is nonsense. I am trying to understand how these things happen.

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EXTERNAL AFFAIRS

GOVERNMENT POSITION ON ADMISSION OF PLO REPRESENTATIVE TO UNITED NATIONS CONFERENCE IN TORONTO

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of reports that the PLO intends to send official representatives to the United Nations meeting in Toronto, this year, on criminology, I wonder if the minister would be good enough to tell the House whether it is the policy of this government to admit or not to admit such official representatives.

● (1420)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the conference to which the hon. member refers is, of course, under sponsorship of the United Nations. When Canada undertook to host this particular conference, it also assumed an obligation to receive those members invited by the United Nations. That is the present situation. Each person coming into Canada will be expected to meet normal admission requirements. That system will be in vogue in this particular situation.

Mr. Lawrence: Bearing in mind that there are other international terrorist organizations in the world today, will the minister advise, for example, if the IRA wanted to come over whether it would be given official representation also.

Mr. MacEachen: Mr. Speaker, that would be entirely up to the invitation list of the United Nations. To my knowledge, the IRA has no such standing in the United Nations.

VIET NAM—REQUEST FOR ASSURANCE COMMUNIST GOVERNMENT WILL PERMIT CANADIAN ORGANIZATIONS TO CONTINUE HELPING ORPHANS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact that Canadians supported Viet Nam orphans through various organizations prior to the communist takeover, has the government been assured of their wellbeing, both under present circumstances and in the future?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am not sure whether I understand the question. Does it refer to orphans of Vietnamese origin now resident in Canada?

[Mr. Patterson.]

Mr. Towers: Mr. Speaker, I am referring to those orphans being sustained by various organizations such as the Foster Parents plan. To enlarge on this, I would ask the following question: If Canadian contributions continue to be forwarded to Viet Nam for orphan maintenance, is there any guarantee that these funds will be used for the purpose intended or would Canadians be well advised to cease making these contributions?

Mr. MacEachen: Mr. Speaker, the aid which we have made available has been channelled or directed through international organizations such as the Red Cross and the United Nations High Commission for Refugees. I am satisfied that these organizations will ensure that the funds reach their proper destination.

[*Translation*]

EXPULSION OF PRESS ATTACHÉ FROM REPUBLIC OF CHINA EMBASSY—REQUEST FOR EXPLANATION

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

Can he confirm to the House the expulsion by the Canadian government of a press attaché at the embassy of the People's Republic of China for security reasons and could he specify what are those security reasons?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the Canadian government did ask that a member of the Chinese Embassy in Ottawa be withdrawn from service in Canada. The reason was that in our view his activities were incompatible with his status as a diplomat in Canada.

[*Translation*]

Mr. Wagner: Mr. Speaker, I should like to put a supplementary question.

Subject to more explicit details from the minister, does he not agree with a statement by former RCMP commissioner W. L. Higgit, according to whom the establishment of diplomatic relations with the People's Republic of China would likely increase subversive activities within our country?

[*English*]

Mr. MacEachen: No, Mr. Speaker.

* * *

FISHERIES

SEALS—INQUIRY WHETHER DEPARTMENT PLANS TO PREVENT FUTURE HUNTS

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, in the absence of the Minister of State (Fisheries), I will direct my question to the Acting Prime Minister. Since the seal hunt is now concluded, and by an act of God the ice did not come in so less seals were taken and we were spared that brutality, has the fisheries department any plans for the future to prevent this kind of slaughter re-occurring?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of State (Fisheries) has examined this question from time to time. It would not be Canadian government policy to abolish the seal hunt.

Some hon. Members: Hear, hear!

Mr. Sharp: I, myself, have spoken with the minister and there is another side to the issue that is not often raised in this House.

* * *

TRANSPORT

FREIGHT RATES—POSSIBILITY OF INTERVENTION BY MINISTER TO PREVENT INCREASE—REQUEST FOR REPORT

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the Minister of Transport. As reported in *Hansard* on April 15 at page 4806, in reply to a question by myself about a 20 per cent increase by the railways in class rates to be effective on May 5, the minister stated he was still opposed to what the railroads were trying to achieve in the way of an across-the-board increase and that he would get in touch with the Transport Commission to see to it that what he said was really accepted by the companies. Did the minister get in touch with the CTC and the railways? If so, what was the response, and have the railways, in fact, really accepted what the minister said? If not, what does he intend to do about it?

Hon. Jean Marchand (Minister of Transport): Yes; I understood the hon. gentleman underlined the fact he was referring exclusively to the class rates. I met yesterday with the ministers of transport of the Atlantic provinces and I am supposed to get in touch with both railways today or tomorrow in order to see that what I said in Calgary is carried out.

Mr. Benjamin: The minister also said on April 15 that he would get in touch with the CTC and the railroads. In view of the fact that the Montreal *Gazette* of last Friday, April 25, reported the intention of CP Rail to raise its rates in other rate categories such as agreed charges and specific commodity rates, and since this appears to constitute further across-the-board increases which the minister says he is against, may I ask what action the hon. gentleman proposes to take to prevent these additional increases and to live up to the commitment he made to the western transportation ministers on February 24 last?

Mr. Marchand (Langelier): I do not intend to discuss the laws as they exist—the statutes as they were passed by this House. The hon. member knows what kind of legal authority I have: the only authority I have over the railways is a moral authority and I am trying to use it as far as possible in order to maintain the rates as low as possible.

Mr. Benjamin: We are still waiting for the minister to bring in legislation which will give him some authority. In view of the commitment by the minister to remove anomalies between short and long haul rates and between raw and finished products, what action is being taken to ensure that the recent across-the-board increases, as well as proposed future across-the-board increases are applied in such a way as to eliminate such anomalies and inequities, thus implementing the commitment to the four western provinces?

Mr. Marchand (Langelier): As to the anomalies, we are working with the four western ministers on this aspect. We have a report in hand now, and next time we meet we hope we shall find a solution, or a justification for these anomalies.

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[*Translation*]

SOCIAL SECURITY

GUARANTEED INCOME SUPPLEMENT—REQUEST CHEQUES BE SENT ON TIME

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

Since a significant amount of mail has accumulated at the central post office in Montreal, would the minister tell the House whether he intends to take measures so that old age security pensioners will not be penalized by delays in mail delivery caused by the labour dispute in Montreal, and that pensioners receive in time the guaranteed income supplement they are entitled to?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if the hon. member has specific cases to bring to my attention, I shall be pleased to discuss them with the Postmaster General. I have to inform him, however, that to the best of my knowledge, all family allowance and old age pension cheques have been distributed in the normal and regular fashion this month.

Mr. Laprise: Mr. Speaker, I have a supplementary. Is the minister aware that all the basic pension cheques have been distributed, but the guaranteed income supplement was not included, because application forms submitted by pensioners were locked in the Montreal post office?

Mr. Lalonde: On this point, Mr. Speaker, we have been making a number of requests to pensioners, as early as January last, that they send their guaranteed income supplement application forms in time, so that they would receive their supplement as early as April 1. Unfortunately, some pensioners have yet to answer that request. We are waiting for application forms, and as soon as they arrive the adjustment will be paid retroactively under the guaranteed income supplement. Unfortunately, it is impossible both for the Postmaster General and myself to fill in such application forms for the people who are now late. If there are forms stuck in the mail, we shall do everything possible, as soon as service is reinstated, so that the people involved get their supplements.

● (1430)

[*English*]

AUDITOR GENERAL

REPORT OF INDEPENDENT REVIEW COMMITTEE—POSSIBILITY OF LEGISLATION TO IMPLEMENT REPORT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister. Now that the government has had several weeks to brood over the report of the Independent Review Committee on the office of the Auditor General, does the government intend to introduce legislation this session to implement that report?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we have no plans to introduce legislation in this session, but it really depends on how long the session lasts.

Mr. Baldwin: A supplementary question, Mr. Speaker. I will carefully avoid the last part of the answer; it might provoke me. Are there any cogent reasons why this parliament, through a parliamentary committee, should not indicate its position on behalf of the people of Canada with regard to the proposals which have been made in this and other legislation which is now in the safekeeping of the government?

Mr. Sharp: Mr. Speaker, we have two alternatives. We could follow the suggestion of the hon. member for Peace River, or we could take our responsibility and bring a bill before parliament for discussion. In either case, the opposition will have plenty of opportunity to discuss the issues. I believe that the government ought to take some responsibility and introduce a bill.

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CANADIAN NATIONAL RAILWAYS

ALLEGED STATEMENT OF PRESIDENT THAT COMPANY FORCED TO FOLLOW STANDARDS SET BY CANADIAN PACIFIC—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question to the Minister of Transport, who seems to be playing musical chairs. If he would return to his throne, I should like to ask him this question. In a recent interview the president of the CNR stated that the CNR is forced to adhere to the standard of the CPR or to try to better it. Can the minister state if it is government policy that a government-owned railway take the view that it is not number one but number two in the field of rail transport and, if not, would the minister inform the president that the CNR should strive for leadership in this area and that private enterprises should follow the standards of the Crown corporation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope the House will excuse me, but is the hon. gentleman referring to the speech made by Mr. Bandeen, the president of the CNR? If he is, then I think Mr. Bandeen did not mind his business when he stated that.

[Mr. Lalonde.]

Policy is supposed to be stated by the government in the House of Commons.

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EXTERNAL AFFAIRS

PORTUGAL—DISCUSSION WITH MINISTER CONCERNING POSSIBLE INVOLVEMENT WITH NATO

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Secretary of State for External Affairs. Was Portugal included in the minister's stopovers during his trip and, if so, did he meet the foreign minister and discuss Portugal's involvement in NATO?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I did have an opportunity to stop over in Lisbon and on Sunday evening I had dinner with the foreign minister. I should express to the House the feeling of almost exuberance that exists in Portugal as a result of the successful election in which a very high percentage of the electorate participated and which resulted in a very massive support for the moderate parties within that country. I expressed to the foreign minister on behalf of the government, and I am sure this parliament, our congratulations on the success of the election.

Some hon. Members: Hear, hear!

Mr. MacEachen: I expressed the hope that the result would be a major step in the further democratization of Portugal.

With respect to the latter part of the question, the foreign minister advised me that the head of state will be attending the summit meeting at the end of May, and that the foreign minister himself will also attend. I did express to the foreign minister our desire to co-operate fully with the government of Portugal, and hopefully we will be having discussions at an early date to explore ways in which we can co-operate.

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HEALTH

POSSIBLE LINK BETWEEN CANCER OF THE LIVER AND TRICHLOROETHYLENE—REQUEST FOR ACTION TO PROTECT WORKERS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the possible link between cancer of the liver and the industrial chemical trichloroethylene, I wonder whether the minister could inform the House whether or not he has taken any action with regard to this particular chemical?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my department is aware of the progress of studies being conducted in the United States on this subject, and we are also keeping a close watch on the situation, but no decision has yet been made in this regard.

[*English*]

Mr. Yewchuk: A supplementary question, Mr. Speaker. I wonder whether the minister could assure the House that his department will also do studies into this chemical and its inherent dangers in order to protect Canadian workers who are exposed to it in large numbers in their daily work?

Mr. Lalonde: Mr. Speaker, the health protection branch has studied this particular chemical since 1968. There are also current investigations being carried out concerning the relative toxicity of the ingested and inhaled chemical and its potential mutagenic activity. I might point out that the results of recent studies conducted in the United States have indicated that massive doses of the chemical ingested for 462 days produced tumours in one strain of mouse. Officers of this department are in communication with the U.S. scientists who made these observations.

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EXTERNAL AFFAIRS

BANISHMENT OF PRESS ATTACHÉ OF EMBASSY OF REPUBLIC OF CHINA—REQUEST FOR EXPLANATION OF REASONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a supplementary question arising out of the question asked by the hon. member for Saint-Hyacinthe in connection with the banishment, as it were, of the communist attaché whom the government of Canada requested to leave. In view of what took place in 1945 when, as a result of the action taken with Igor Gouzenko, revelations were made as to what had occurred and prosecutions took place thereafter, would the minister say whether or not the reasons for ordering this attaché to leave indicate that there has been a breach of security to this nation? If so, was he in any way involved with Canadians, and how many were involved in this regard if there were such? Without going into further detail, I think Canadians as a whole have a right to this information, as it was furnished by Mr. King in 1945.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will attempt to answer as much of the right hon. member's question as I can. The activities involved did not include the collection or attempted collection of classified information affecting Canadian security; and there will be no charges laid with respect to any Canadian citizens.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. Then, on what basis was he ordered out of this country? Why the enigma? Why was he ordered out if he did not do anything that was detrimental to the security of Canada?

● (1440)

Mr. MacEachen: Mr. Speaker, he was asked to withdraw because his activities were, in my view, incompatible with the role of a diplomat in Canada.

Mr. Diefenbaker: What activities?

Mr. MacEachen: I will come to that by telling the right hon. gentleman that in my view it would not be in the best interests of Canada-Chinese relations to discuss this aspect of the case.

Mr. Diefenbaker: We have heard everything now, Mr. Speaker. We have a government afraid to answer because it might annoy communist China, yet it orders this man out.

Some hon. Members: Oh, oh!

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IMMIGRATION

ALLEGED DIFFICULTY OF TORONTO IN RECRUITING BRITISH POLICEMEN—GOVERNMENT ACTION TO ALLEVIATE

Mr. Jake Epp (Provencher): Mr. Speaker, in view of the fact it has been reported that the Toronto Police Department is having difficulty with the Department of Immigration over the recruitment of British policemen, I should like to ask the Minister of Manpower and Immigration what steps his department is taking to expedite the granting of landed immigrant status to these individuals who are required to assist in the control of domestic crime and violence?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, if there are definite job offers available we will do everything in our power to expedite the recruitment of these people. The fact of the matter is that there has not been a formal job offer made by the Toronto Metropolitan Police, and until that situation is clarified the immigration regulations are not being met. We will be glad to expedite things when there is a formal job offer made.

Mr. Epp: Mr. Speaker, in view of the minister's answer to the effect that the Department will do everything possible to expedite these applications, am I to understand that if steps are taken today by Toronto Police Department officials to make formal requests for the landing of these individuals, and after the necessary security checks have been made by the department, these individuals may be allowed into Canada in an expeditious way?

Mr. Andras: Mr. Speaker, if there is a formal job offer, and if the security and other checks of eligibility to which the hon. member has referred are satisfactory, then the answer is yes, we will do everything to expedite the matter.

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AIR TRANSPORT

CRASH OF PANARCTIC AIRCRAFT—REQUEST FOR ASSURANCE MINISTER WILL HOLD INQUIRY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wonder if I might enlist the co-operation of the Minister of Transport in assuring that there will be an inquiry at the earliest possible date into the fatal crash of the PanArctic aircraft on the islands, in view of the fact that

there has been a sort of impasse reached between the inquest and the minister's statement to the effect that he would not hold an inquiry until the inquest had been completed? There are many relatives and immediate members of the families of the victims of this crash who are quite frankly being prejudiced by this sort of official stalemate.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think it is only reasonable that I first receive and read the report before taking any other action.

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

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CANADA DEVELOPMENT CORPORATION

REASON FOR FINANCIAL COMMITMENT TO MACKENZIE VALLEY PIPELINE BEFORE BERGER COMMISSION REPORTS—JUSTIFICATION FOR COMMITMENT

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in view of the fact the government-controlled Canada Development Corporation has indicated to the Arctic Gas consortium that it is prepared to provide $100 million for the Mackenzie Valley pipeline, would the Acting Prime Minister explain why such a financial commitment was made prior to the Berger inquiry completing its findings on the advisability of the pipeline?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Canada Development Corporation acts under the directions of its board of directors. It is an independent and autonomous organization. If it has made that decision, it is a decision which has been made in the interests of its shareholders.

Mr. Symes: Mr. Speaker, since the Berger inquiry and the studies of the National Energy Board have not been completed, I should like to ask the minister what report or information the CDC received to justify the $100 million investment in Arctic Gas, and will this information be made available to Justice Berger and the National Energy Board?

Mr. Sharp: Mr. Speaker, I will pass this inquiry on and see whether the information can be provided. However, as I say, this is an organization which operates on commercial grounds and I am sure the House of Commons would not want the government to interfere with such operations.

Mr. Lambert (Edmonton West): Who are the shareholders but the government?

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OLYMPIC GAMES

COIN PROGRAM—POSSIBILITY OF ISSUING SPECIAL GOLD COIN

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of the fact the olympic coin program under the jurisdiction of the Postmaster General has evidently not become the success the government led us all to believe, and because the minister just last week indicated the government would be advancing legislation to supplement the present deficit, would the Postmaster General indicate whether the minting of a special gold coin will in fact be part of such legislation?

[Mr. Lambert (Edmonton West).]

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, without commenting on the preamble as to whether it is successful or not, in answer to the main question as to whether we are considering the minting of a gold coin, this is one of many variations we are considering.

COIN PROGRAM—REQUEST FOR ASSURANCE GOLD TRANSFERRED FROM TREASURY AT MARKET PRICE IF GOLD COIN ISSUED

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of the minister's answer and the possibility of the minting of a gold coin I would direct my supplementary question to the acting Minister of Finance. Because it seems obvious that a gold coin will probably be minted, would the minister assure this House that the government will not directly or indirectly transfer gold from the federal treasury at a price other than true market price, which today is approximately $165, compared to the official rate put on by the government of $42?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I am afraid that is a rather complicated question based on a hypothetical premise.

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ADMINISTRATION OF JUSTICE

VAILLANCOURT CASE—DATE OF DECISION ON WHETHER OR NOT TO COMMUTE SENTENCE OF CAPITAL PUNISHMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to direct a question to the Solicitor General and I want to emphasize the time limit. Now that the Solicitor General, his department and other members of the cabinet have had time to study the decision of the Supreme Court of Canada in relation to one case that involves capital punishment, when will a decision be made by the government, if the matter is under consideration, and will it be made soon in light of the time element involved?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I think the hon. member is referring to the Vaillancourt case. This will go to the cabinet for consideration this week.

HOUSING

SUGGESTED ESTABLISHMENT OF FEDERAL MORTGAGE EXCHANGE CORPORATION—TYPE OF ACTION SUGGESTED BY BUILDERS TO STIMULATE CONSTRUCTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in view of the desperate housing situation which is reflected in high unemployment, high costs and high mortgage rates, will the Minister of State for Urban Affairs at least move to set up the federal mortgage exchange corporation, in respect of which legislation was passed in this House over a year and a half ago, and which the minister's predecessor claimed would do so much to improve liquidity in the mortgage market?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I think this matter would fall within the responsibility of the Minister of Finance who will be back shortly.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, would the minister take it upon himself to make these representations to his colleague, and will he also report whether there has been any consensus reached in his meetings with developers and builders regarding the kind of action needed to put residential construction back on the rails?

Mr. Danson: Mr. Speaker, I should also add that the Minister of Finance and I have had discussions on this matter. He is deeply concerned about getting the federal mortgage exchange corporation going as quickly as possible. Certainly, I have had discussions on this in the minister's absence as recently as this morning. With reference to meeting with developers and builders, of course we are trying to meet with them and other groups regularly in an attempt to obtain the necessary responses. I have also been meeting in this regard with my provincial counterparts. This is an on-going and aggressive program that I am sure will result in—

Some hon. Members: Oh, oh!

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PUBLIC BUILDINGS

BOURDIGNON BUILDING, VANCOUVER—REQUEST FOR REPORT OF INVESTIGATION OF ADVERTISEMENT FOR LEASE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in answer to my question last week concerning an investigation by the Minister of Public Works of a call for tenders for office space in Vancouver for the district taxation office the minister said he would bring his notes next day. Having heard nothing further I should like to ask the minister what were the results of his investigation into this call for tenders?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, there, there was a call for tenders which produced unsatisfactory results in economic terms. As a result, the call for tenders was reissued, enlarging the area of availability of space and the results were equally unsatisfactory. No contracts were awarded as a consequence of either of these two calls. We are now looking at the demand for accommodation on a consolidated basis to see whether a rather larger project can be put on foot.

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● (1450)

TRANSPORT

DATE WHEN INFORMATION ON TRANSPORTATION COSTS WILL BE SUPPLIED ATLANTIC PROVINCES

Mr. David MacDonald (Egmont): My question is for the Minister of Transport, whom I welcome back from his meeting with the four Atlantic transportation ministers, particularly noting that he returned on the inaugural flight from Prince Edward Island to Ottawa. Can the minister indicate, having agreed with the provincial ministers that there is a need for a rail rate policy and agreement on a regional development policy and a desperate need for accurate information on transportation costs on the national carriers, when he would offer to supply that information to the Atlantic ministers?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as soon as I get it from the Canadian Transport Commission.

Mr. MacDonald (Egmont): The minister indicated that he was bringing in an act having to do with transportation information. Can he indicate how soon that might happen in order that such information could be on the table?

Mr. Marchand (Langelier): I think the House leader is the one who should answer this question because I am not the one who introduces the bill to the House.

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SUPPLY AND SERVICES

COST OF PROTECTIVE SERVICES—ALLEGED WARNINGS AGAINST USE OF SECUREX AGENCY AT MONTREAL AIRPORT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Minister of Supply and Services. Can the minister confirm that over $20 million was committed by the federal government during the past year for guard and protective services contracted and supplied from the private sector? Is that an accurate figure?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I will certainly have to check the figures; but considering that we have a very important contract with the Corps of Commissionaires, such figures could possibly reach $20 million.

[*English*]

Mr. MacKay: Can the minister also confirm that, with reference to Securex, one of these companies from the private sector, grave reservations and warnings were expressed to him in the past by the special security department of the Montreal police respecting the awarding of a

contract to provide security services at the Montreal international airport, and that despite these warnings the contract was awarded, although since that time the company has been replaced?

[*Translation*]

Mr. Goyer: Mr. Speaker, I feel that security matters within international and national airports come under the jurisdiction of the Minister of Transport.

* * *

[*English*]

PUBLIC SERVICE

ALLEGED USE OF REGIONAL PAY RATES TO KEEP PAY RATES LOW IN ATLANTIC REGION—GOVERNMENT POSITION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the President of the Treasury Board. The Sydney airport firefighters, most of whom are in my riding, have notified me that the Treasury Board intends to force regional rates of pay as opposed to national rates of pay in the Atlantic region, based upon the assumption that the psychic income derived from physical, social and cultural environment there is superior to the rest of the nation.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Will the hon. member put his question directly?

Mr. Hogan: Is this true or not? Since the first language of the minister is French, may I advise him that "psychic income" means the general cultural environment. Are these in general the criteria which the union is accusing the Treasury Board of using in order to keep the rates of pay low in the Atlantic region as against the rest of Canada?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I had occasion to reply to a similar question yesterday in the House. The hon. member might consult *Hansard*.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

SUGGESTION DEPARTMENTAL PROGRAMS NOT HELPING ATLANTIC REGION WHEN TREASURY BOARD PAYS REGIONAL RATES

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the Minister of Economic Regional Expansion. How can the minister claim that DREE is really helping to close the income disparity gap in this country when the Treasury Board operates on such a discriminatory basis with regard to federal employees in the Atlantic region, not only firefighters but GLT workers, national park workers and everybody who works for the federal government?

Some hon. Members: Hear, hear!

[Mr. MacKay.]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I think the common response to that is that the question is argumentative. However, I am discussing the whole question of regional rates frequently with my colleague in the Treasury Board and I think he is responsible for the government's position.

* * *

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF LEGISLATION TO PERMIT MEMBERS TO FORM ASSOCIATION OR UNION—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): My question is for the Solicitor General. In view of reports of persistent efforts by certain members of the RCMP to form an association for the purpose of negotiating on matters of pay and other things, can the minister advise the House as to whether discussions have been going on with the association or any of its representatives? In order to avoid the necessity for a supplementary question may I ask the minister if he could advise the House as to whether or not it is contemplated that the government will bring forward legislation which will have the effect of removing the provision in the present law prohibiting the organization of trade unions in the RCMP, and what are his comments with respect to the right to strike?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, no petition or application has come before me at this time with respect to a union or association in the RCMP. I have investigated the reports that were in the newspapers and I understand that the association to which reference has been made has so far enlisted about 100 men, most of them in the Ottawa area. Therefore, the association cannot be considered representative of the RCMP at this time. I imagine that if at a certain period of time the association becomes widely representative of the force, I will be pleased to take this under further consideration.

* * *

AIR TRANSPORT

REQUEST FOR REPORT ON POSSIBILITY OF SERVICE BETWEEN CANADA AND CUBA

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the Minister of Transport who is in such good form after his trip. Now that we are all rejoicing in Air Canada extending its service to PEI, can he report progress on another long desired and long discussed regular service, namely the service between Canada and Cuba?

Hon. Jean Marchand (Minister of Transport): I must confess that I know we have been negotiating with Cuba but I do not know whether we have reached agreement. However, I will inquire into it and report to the hon. member.

PUBLIC SERVICE

ALLEGED STATEMENT BY MR. STONER GOVERNMENT NOT GOOD EMPLOYER—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the President of the Treasury Board. In light of the allegations made by Mr. Stoner recently that the government is not a good employer, can the minister tell us what steps he is taking to investigate this statement to see whether or not it has any basis in fact, and whether there is a serious morale problem within the public service of Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the only comment I have from my deputy minister is that the title that appeared in the *Journal* was not in accordance with his thinking and with what he really stated publicly.

Mr. Baker (Grenville-Carleton): Would it be breaching confidence if I asked the minister to say what his deputy minister did say with respect to this particular matter?

Mr. Marchand (Langelier): I do not think the deputy minister ever complained to me about his own working conditions. I know that he earns much more money than I do, and I am happy about that.

* * *

AGRICULTURE

UNITED STATES QUOTAS ON BEEF AND PORK—POSSIBILITY OF WITHDRAWAL

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the expressed concern of beef producers that United States quotas limiting Canadian beef and pork may last for a long time, especially since it now appears that there is a surplus in the Canadian supply of beef and that it will outlast the American domestic supply, can the minister inform the House whether any progress has been made to settle this trade dispute?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all there is no chance that we can fill our pork quotas because we do not have enough pork. As to beef, discussions are still taking place with the United States. I will point out to the hon. member that we are deficient in our beef production in Canada.

* * *

PUBLIC WORKS

DREDGING—GOVERNMENT POSITION IN VIEW OF FACT ALL COMPANIES UNDER INDICTMENT

Hon. Robert L. Stanfield (Leader of the Opposition): My question is for the Minister of Public Works. Can he now tell us whether his department intends to proceed with any dredging operations and whether his department has figured out any way to protect the Canadian people,

particularly in view of its obviously abject failure to provide any protection to Canadians in past contracts?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I hope to be able to announce a course of action for the future on either Thursday or Friday of this week.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

ATHABASCA OIL SANDS PROJECT—TABLING OF CORRESPONDENCE BETWEEN GOVERNMENT AND HOME OIL COMPANY

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to table copies of the correspondence between myself and the president and chief executive officer of Home Oil Company on the oil sands project.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,890, 1,941, 1,942, 1,945, 1,953, 1,955, 1,956, 1,958, 1,967, 1,989, 1,992, 1,996, 2,003, 2,085, 2,133 and 2,193.

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

[*Text*]

EXPORT OF ARMS TO TURKEY

Question No. 1,890—**Mr. Brewin:**

1. Were licences for the export of arms or any sort of war material to Turkey granted since July 20, 1974 and, if so (a) to whom (b) for what amounts (c) on what dates?

2. Were any of the contracts negotiated through the Canadian Commercial Corporation?

3. Was the supply of materials to go directly to Turkey and, if not, to whom were such arms assigned?

4. Were conditions attached to the licences as to what theatre the materials could be used in and, in particular, were there restrictions made as to the use of such materials on the Island of Cyprus?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Three export permits have been issued for the export of military equipment to Turkey since July 20, 1974. (a) Since every application for an export permit under the authority of the Export and Import Permits Act is treated on a commercially confidential basis, it is not the practice to reveal to whom such permits were issued. (b) The three permits

issued were for a total value of $870,028.29. (c) Two of these export permits were issued in January, 1975 and the third one in February, 1975.

2. No.

3. Yes.

4. No.

SUPPLY AND SERVICES—PURCHASE OF RUCKSACKS

Question No. 1,941—**Mr. Reynolds:**

1. Were two purchases made totalling $546,680 for army rucksacks within two months of one another and, if so, will the Minister of Supply and Services provide the reason the quantity purchased was not made at the same time?

2. Is it the Department of Supply and Services' procedure to forecast market price increases and consider inflationary spirals when making such purchases?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. The second purchase resulted from a DND decision to authorize the issue of rucksacks to militia units of Mobile Command. The covering requisition was received after the first contract had been awarded.

2. DSS provides market trends on a commodity group basis to materiel managers of federal departments and agencies. When making the actual purchase, it is DSS policy to establish a contract price through competitive tendering. In this instance, each requirement was tendered separately and the resulting two contracts were awarded to the lowest bidder, which in both cases was Manitoba Tent and Awning.

SUPPLY AND SERVICES—PURCHASE OF POSTAL CARTS

Question No. 1,942—**Mr. Reynolds:**

1. Was a contract awarded on January 29, 1975, to E.K. Neuser Machine Co. Ltd., of Downsview, Ontario, for the supply of 2,550 postal carts valued at $1,226,843?

2. How much did each cart cost?

3. What is the difference in design of this cart compared to a supermarket's grocery cart?

4. Were tenders called for on this contract?

5. What companies tendered?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. $479.64 (Note: 2,550 × $479.64 = $1,223,082. The balance of $3,761.00 between this amount and the contract award amount of $1,226,843 covers the supply of Spare Parts and Maintenance Manuals).

3. These carts are 5 feet (1.52 m) in length and 3.5 feet (1.07 m) in width. Each is four-wheeled, flat bedded, open sided with closed ends, weighing 450 pounds (204.5 kg) when empty. Each is designed to carry up to 1800 lb. (818.2 kg) of mail, loose, in bags or monotainers. There is, therefore, no direct comparison with the supermarket grocery cart.

4. Yes.

5. The E.K. Neuser Machine Company Limited, Downsview, Ontario; G.E.C. Elliot Mechanical Handling, Division of English Electric—A.E.I. Canada Limited, Willowdale, Ontario; Moody—S.I. Limited, Terrebonne, P.Q.

[Mr. Clermont.]

SUPPLY AND SERVICES—DIESEL ENGINES FOR LOCOMOTIVES

Question No. 1,945—**Mr. Reynolds:**

1. Was a contract awarded to M.W. Industries of Montreal for the supply of four diesel engines for locomotives functioning with the Pakistan Western Railways Programme?

2. How much did each engine cost?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. A contract was awarded to M.L.W. Industries, a division of M.L.W. Worthington Limited, Montreal, Quebec for the supply of four diesel engines for locomotives functioning with the Pakistan Western Railways Programme.

2. Four engines with kits of components, panels and wiring for modification of engine systems, lot price: $630,-847 f.o.b., Montreal.

SUPPLY AND SERVICES—PURCHASE OF FIREBOATS

Question No. 1,953—**Mr. Reynolds:**

1. Was a contract awarded to Vancouver Shipyards Co. Ltd., North Vancouver, British Columbia for the supply of two fireboats at a cost of $3,208,712 on March 7, 1974?

2. Were tenders called on the contract and, if so, what companies tendered?

3. What are the particulars as to the actual construction and accessory equipment aboard the vessels?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. The contract was awarded on January 18, 1974. The press release was dated March 7, 1974.

2. Yes. Only one firm responded, Vancouver Shipyards Co. Ltd.

3. The fireboats are 75' in length, have steel hulls and a design speed of 12 knots. The boats are powered by twin diesel engines of 400 BHP each driving twin screws on "Z" drive units capable of 360° rotation. Pumping rate is 5000 gpm (Imp.).

SUPPLY AND SERVICES—TWIN SCREW BUOY

Question No. 1,955—**Mr. Reynolds:**

1. Were tenders called on the contract as awarded to Riverton Boat Works Ltd., Winnipeg, Manitoba for the supply of a Twin Screw Buoy Tender?

2. What companies tendered?

3. What is (a) the dimensions of the $1,500,000 boat (b) accessory equipment?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Riverton Boat Works Ltd., Riverton, Manitoba; Purvis Shipyard Ltd., Selkirk, Manitoba.

3. (a) Length, 110′-3″; Breadth, 28′-0″; Draft, 7′-0″; (b) The steel hull ship will be fitted with two diesel engines of 1350 combined horsepower driving twin screws to produce a design speed of 11½ knots. A Speed Crane system will be fitted for laying and retrieving navigation buoys on Lake Winnipeg.

SUPPLY AND SERVICES—CONTRACT TO KODAK CANADA LTD.

Question No. 1,956—**Mr. Reynolds:**

1. How many dollars in contracts were awarded to Kodak Canada Ltd., Toronto, Ontario for the year 1974?

2. To what departments did Kodak supply goods?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. $5,374,608.

2. Agriculture, Canadian Penitentiary Service, Canadian Transport Commission, Canadian International Development Agency, Communications, Consumer and Corporate Affairs, Industry Trade and Commerce, Defence Research Board, Energy, Mines and Resources, Environment, Indian Affairs and Northern Development, Information Canada, Manpower and Immigration, Ministry of Transport, National Defence, National Film Board, Canadian Commercial Corp., Master Standing Offer (all customers), National Health & Welfare, National Library, National Museums, National Revenue, National Research Council, Post Office, Public Archives, Public Service Commission, Public Works, Regional Economic Expansion, Royal Canadian Mounted Police, Secretary of State, Solicitor General, Statistics Canada, Supply and Services, Unemployment Insurance Commission, Urban Affairs, Veterans Affairs, Central Mortgage & Housing Corporation.

SUPPLY AND SERVICES—CONTRACT FOR DPW DREDGE

Question No. 1,958—**Mr. Reynolds:**

1. Was a contract awarded May 30, 1974 to Marystown Shipyard Limited, Marystown, Newfoundland for the repair of a DPW dredge costing $119,369?

2. What did the repair work entail in the period at which it was at the shipyard?

3. How much does a new dredge of similar construction cost?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. The contract was awarded on April 4, 1974, the press release was dated May 30, 1974.

2. Extensive work on underwater hull including renewal of keel plates and adjacent shell plates. Also repairs to main machinery.

3. Approximately $4 million depending on the degree of sophistication.

SUPPLY AND SERVICES—CONTRACT FOR CEMENT

Question No. 1,967—**Mr. Reynolds:**

1. Was a contract awarded by the Department of Supply and Services on May 9, 1974 to Saint Lawrence Cement Co., Montreal, Quebec for 110,000 tons of cement at a cost of $35.62 per ton?

2. Were tenders requested?

3. What were the names of companies who tendered?

4. What was the price of cement as offered at that time by Canada Cement Lafarge Ltd. of Montreal?

5. (a) For what reason was Canada Cement Lafarge Ltd. not given the contract earlier in the month for the same destined place for which goods were contracted May 31, 1974 and delivered (b) what saving would have accrued from such purchase?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes, however, date of contract award was April 23, 1974; the news release was dated May 9, 1974.

2. Eleven firms were invited to tender.

3. Canada Cement Lafarge Ltd, St. Lawrence Cement Co.

4. Canada Cement Lafarge was unable to quote on the supply of cement for delivery in 1974 because of previous commitments. Their tender for supply in 1975 was to be the list price in effect at time of delivery.

5. (a) Firstly, Canada Cement Lafarge was not prepared to quote on the 1974 requirement and secondly, the firm did not provide a firm price for the delivery of cement during 1975. Consequently, the company's tender for the supply of cement for the construction of cargo aprons was considered non-responsive. (b) Not applicable.

SUPPLY AND SERVICES—REPAINTING OF CF-101 AIRCRAFT

Question No. 1,989—**Mr. Reynolds:**

1. Was a contract awarded to Bristol Aerospace Ltd., Winnipeg for the repainting of 15 CF-101 aircrafts at a cost of $16,773 per aircraft?

2. Were tenders requested on the contract?

3. What companies tendered?

4. Did the Department of Supply and Services provide incentives to Bristol Aerospace Ltd. for the construction of their paint shop?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Tenders were not invited since the repainting was carried out at the same time and in conjunction with a major repair and overhaul modification program. Significant cost savings were achieved by not duplicating the dismantling, reassembling and testing, as well as ferrying costs, necessary to a separate contract. The out of service time for the aircraft is also considerably reduced.

3. Not applicable, see 2 above.

4. No incentives were given to the contractor for the construction of the paint shop.

SUPPLY AND SERVICES—CONTRACT FOR TECHNICAL SERVICES

Question No. 1,992—**Mr. Reynolds:**

1. Was a contract awarded September 1973 to Leonard O'Brien, Ottawa, Ontario for technical services costing $10,000?

2. What technical services were acquired?

3. Were tenders requested for the contract?

4. To what purpose were the services used?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. The development of assigned portions of operational and training programs and projects related to supply activities operating in a state of emergency.

3. No. Mr. O'Brien was the only individual known as being capable of providing the service in the required time-frame.

4. In support of program planning.

Order Paper Questions

SUPPLY AND SERVICES—SECURITY DEPOSITS

Question No. 1,996—**Mr. Reynolds:**

1. Is it the practice of the Department of Supply and Services to hold the three lowest tenders, together with a ten per cent security deposit, until a contract is awarded?

2. How long do the three low tenders, including the two unsuccessful ones, have to wait before refunds are made?

3. To the Department's knowledge, has this practice ever resulted in the reluctance or refusal by potential suppliers to tender?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Security deposits are rarely required. During the past fiscal year (ending March 31, 1975) seven tender calls required security deposits. Normally all security deposits are held until a contract is awarded.

2. When called for in the tender security deposits are held until a contract award.

3. Yes. On rare occasions firms have refused to tender.

SUPPLY AND SERVICES—CONTRACT FOR PURCHASE OF CLOTH

Question No. 2,003—**Mr. Reynolds:**

1. Was a contract awarded to Leach Textile Ltd., Huntington, Quebec for 18,000 yards of cloth at $11 per yard on March 12, 1974?

2. Were tenders requested for the provision of this cloth?

3. What companies tendered and what were their respective prices?

4. Is it a purchasing prerogative to maximize on dollar savings through the purchase of large quantities of goods and, if so, what is such prerogative?

5. How much does a RCMP constable's blue serge trousers cost?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. A contract was awarded March 1, 1974 to Leach Textiles Ltd. for 18,000 yards of 16 oz. wool whipcord, 56 inches wide, at a cost of $10.72 per yard, f.o.b. destination. The news release was dated March 12, 1974.

2. Yes.

3. Two companies tendered: Leach Textiles Ltd.—$10.72 yd delivered; Textile Sales Ltd.—$10.86 yd delivered.

4. It is a departmental objective to work towards minimum PROC (Product, Resource, Operating and Contingency) costs. Where opportunities exist for savings on the purchase of large quantities of goods, this is considered with the other factors to optimize cost vs benefit relationship.

5. The last purchase of RCMP blue serge trousers was for 12,312 pairs at $15.12 each, inclusive of material, sales tax exempt, delivered to destination. The contract was awarded by competitive tender. The last purchase of blue whipcord trousers was for 2,400 pairs at $32.50 including cost of fabric. This trouser contract was also awarded by competitive tender.

PUBLIC SERVANTS IN RECEIPT OF $25,000 OR MORE PER ANNUM

Question No. 2,085—**Mr. Orlikow:**

With reference to the answer to Question No. 1,345, of the 3,307 public servants earning $25,000 or more per annum, were those in the Research-Scientist field included and, if not, how many are in such classification?

[Mr. Goyer.]

Hon. Jean Chrétien (President of Treasury Board): Yes.

FRENCH LANGUAGE TEACHERS IN AFRICAN COUNTRIES

Question No. 2,133—**Mr. Masniuk:**

1. What is the total number of French language teachers currently employed by the Canadian Government in all countries of Africa under education, aid and assistance programmes?

2. Of this total, how many are teachers in secular Roman Catholic schools and colleges?

3. What is the total cost of salaries paid to the teachers?

Mr. Herb Breau (Paliamentary Secretary to Secretary of State for External Affairs): In so far as the Canadian International Development Agency is concerned, the reply is as follows: 1. There are 13 teachers of the French language in Africa under CIDA auspices.

2. One.

3. $196,605 per annum.

PETROLEUM AND NATURAL GAS

Question No. 2,193—**Mr. Neil:**

Since the passage of the amendments to the Indian Oil and Gas Act (a) how many new petroleum and natural gas leases were entered into (b) how many new oil and gas wells were drilled or are in the process of being drilled?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) None. (b) Three.

Mr. Stevens: Mr. Speaker, on a point of order, I draw the attention of the parliamentary secretary once again to the fact that question No. 636, which was originally put on the order paper by myself in the last parliament, has still not been answered. This question deals with the Olympics and the executives who are handling the Olympic coins program, particularly their experience in the financial field. I think it is very relevant because the Olympic coins program seems to have gone off the track. I urge the parliamentary secretary, once again, to answer this question.

Mr. Paproski: Now that the Secretary of State for External Affairs (Mr. MacEachen) is back from his excursion during which he visited all the various CIDA projects, I wonder if perhaps each week he can answer one or two of the questions standing in my name on the order paper.

Mr. Jelinek: Mr. Speaker, I have never done this before, but I put some written questions on the order paper last October 23 relating to very simple questions regarding the Olympic Games, the number of coins which have been sold to date, and so forth. They are questions Nos. 549 and 551. I would appreciate the government's getting off its seat and answering them.

Mr. McGrath: Mr. Speaker, I rise on a point of order. Today a question was directed to the Acting Prime Minister (Mr. Sharp) in the absence of the Minister of State (Fisheries) (Mr. LeBlanc). My point of order is based on the Government Organization Act which defines the Minister of the Environment as the Minister of the Environment and Fisheries. As such, I submit that questions

directed in the House to the Minister of Fisheries in the absence of the Minister of State (Fisheries) should properly be directed to the Minister of the Environment who, according to the law, is still the Minister of Fisheries.

Mr. MacLean: Mr. Speaker, I rise on a point of order. I would ask the government to expedite the answering of starred questions which are placed on the order paper, so that pressure can be removed from the present situation which forces hon. members to ask, in the oral question period, questions which might satisfactorily be answered as starred questions if there was any assurance that such questions would be promptly answered.

Mr. Forrestall: Mr. Speaker, I rise on a related point of order, having called the attention of the parliamentary secretary to questions Nos. 2,184, 2,185 and 2,186 standing in my name on the order paper for over a month. These questions were answered in detail in the Standing Committee on External Affairs and National Defence about a week ago, and I wonder when I might expect a response on the order paper.

GOVERNMENT ORDERS

[*English*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES

The House proceeded to the consideration of Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, as reported (with amendments) from the Standing Committee on Miscellaneous Estimates and as reprinted in accordance with Mr. Speaker's decision of Wednesday, April 23, 1975.

Mr. Speaker: Order, please. The Chair has had an opportunity to consider the amendments filed to see if there is some order in which they might be grouped for today's discussions. Perhaps for a moment we could direct our attention to that question and to the question of the deferring of divisions if they occur. I have asked the House leaders to give some consideration to this problem.

It is the suggestion of the Chair that motion No. 1 be debated individually and that any division thereon be deferred. In like manner, motions Nos. 2, 3 and 4 might be grouped for debate but each disposed of by a separate vote and deferred division, if necessary. Third, motions Nos. 5 and 6 could be grouped for debate but, again, a separate vote called on each motion and division deferred, if required. Finally, motions Nos. 7 and 8 could also be grouped for debate but, again, a separate vote and division, if necessary. During the course of discussion of the several amendments, if it appears that a number of divisions have developed, rather than deferring all of them and having too many at one time the House may want later to direct its attention to the possibility of disposing

of perhaps four divisions, if they have accumulated, and there are approximately that number remaining. But for the moment perhaps this might be an acceptable way to begin the proceedings.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I say, on behalf of my party, that the groupings you have made seem eminently fair and sensible. We are happy to accept the direction you have suggested. I wish simply to indicate that it is my intention, under the provisions of Standing Order 75(8), to move an amendment to motion No. 4 which is on the order paper in the name of the President of the Privy Council (Mr. Sharp). I mention my proposed amendment now because this may have some bearing on when votes are taken. Since my amendment is one which will be made on the floor, it might be desirable to take a vote on it when the debate thereon is ended, so that the vote on motion No. 4, either as is or as amended, could be amongst the votes which are deferred.

Mr. Reid: Mr. Speaker, I would like to draw your attention to motion No. 2 standing in the name of the hon. member for Waterloo-Cambridge (Mr. Saltsman). Your Honour will probably have noted that it contains two separate and distinct propositions. I think it would be helpful to the House if Your Honour could split that motion into two, so that the question of retroactivity could be debated with and voted on with motion No. 7. The second part could be debated with motion No. 4, with separate votes taken on each motion, that is, that part of motion No. 2 which would be debated in the course of motion No. 4 standing on its own.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise simply to say a word or two on the point of order raised by the Parliamentary Secretary to President of the Privy Council (Mr. Reid). It seems to me that the contention that there are two separate propositions in the proposed motion does not make it automatic that it should be voted on separately.

If one looks at the motion in the name of the President of the Privy Council (Mr. Sharp) he will see that it has in it several distinct and separate propositions. If we are going to apply the rule just suggested to one motion, it would have to be applied to others as well. It so happens that there are portions of the motion in the name of the President of the Privy Council which I find more offensive than others and I shall be moving an amendment for a separate vote on the portions of the motion which I dislike the most. It seems to me that if anyone is really anxious to have separate votes, that is the way it can be achieved, rather than asking Your Honour to split a motion into separate votes. This has been done on occasion, but it is very rare and it is an extremely complicated procedural proposition.

● (1510)

Mr. Baldwin: Mr. Speaker, while the parliamentary secretary has a point, we in this party are willing to overlook the lapse of the rules by the NDP party and take just one vote on the matter.

Mr. Speaker: Order, please. It is true that more than one amendment suffers from the disability that the hon. par-

liamentary secretary has described. If the Chair were disposed to split the amendment of the hon. member for Waterloo-Cambridge (Mr. Saltsman), it would certainly have to be very sympathetic to the same kind of argument on the amendment standing in the name of the hon. President of the Privy Council (Mr. Sharp). For the moment, it would not be the intention of the Chair to do that. If discussion on that particular amendment develops in a way that might reopen that point of procedure when we are on a particular motion, the matter can be considered further. On the basis of the discussion to this point, however, I think we ought to go ahead with discussion on the amendments.

Again I say that if the Deputy Speaker or one of the Assistant Deputy Speakers is in the chair for discussion upon motion No. 2 and it appears that further consideration might be given to that point of order, there is no reason why it cannot be raised and discussed at that time.

Some hon. Members: Question.

Mr. Speaker: Order, please. For obvious reasons, I think it best that I be replaced promptly before discussion on this motion begins.

Mr. Stan Darling (Parry Sound-Muskoka) moved:

Motion No. 1.

That Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be amended in clause 1 by deleting lines 12 to 14 inclusive at page 1 and by substituting the following therefor:

"(*b*) to the Speaker of the House of Commons, the sum of twenty thousand dollars per annum; and".

Some hon. Members: Hear, hear!

Mr. Darling: Mr. Speaker, I am delighted to see such unanimity. I brought forward this motion in the Standing Committee on Miscellaneous Estimates, where it was defeated. With all due deference to the 29 cabinet ministers, I feel that the Speaker of the House of Commons, who is the fifth ranking person in Canada after the Governor General, the Chief Justice, the Prime Minister and the Speaker of the Senate, should be paid at the same rate as cabinet ministers. I am delighted to know there will be unanimous consent.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, although I am a fairly well known opponent of this bill as a whole, I rise to support the amendment that has just been presented.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I shall be voting against the bill as a whole if and when we reach that stage, but in the meantime when we are discussing individual salaries I agree with the mover of the motion that the Speaker of this House ought to receive a salary equal to that paid to members of cabinet.

I also congratulate the hon. member for Parry Sound-Muskoka (Mr. Darling) on being in the unusual position of being able to move a motion that seems to involve an increase in expenditure and yet being in order. That comes about because when Bill C-44 was first brought down last December, it included a provision for the salary of the Speaker of the House of Commons to be $20,000 per year and therefore the Governor General's recommendation supported that proposition. The salary was reduced to $16,000 in the Standing Committee on Miscellaneous Estimates, but because the original Governor General's recommendation still stands the hon. member for Parry Sound-Muskoka is in order.

I believe he is expressing the view of the House that if any increases are going to take place, the Speaker ought to receive the same salary as members of cabinet.

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I rise to support this amendment. When the recommendations were made for the salaries of ministers, the Speaker and other functionaries, it was decided that the government should not depart from the general principle proposed in the Beaupré commission report. I certainly believe, as do the other members who have spoken, that the Speaker should receive the same salary as members of the cabinet even though the Beaupré commission found otherwise.

Mr. Baldwin: Mr. Speaker, I simply rise to say I concur.

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

Some hon. Members: Question.

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

Motion No. 1 (Mr. Darling) agreed to.

Mr. Deputy Speaker: The House will now proceed to the consideration of motions Nos. 2, 3 and 4.

Mr. Max Saltsman (Waterloo-Cambridge) moved:

Motion No. 2.

That Bill C-44 an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be amended (*a*) in subclause (1) of clause 2 by deleting from lines 5 and 6 at page 2 the words "July 8, 1974 and ending December 31, 1975" and by substituting therefor the words "July 1, 1975" (*b*) by deleting subclause (2) of clause 2, being lines 11 to 49 at page 2 and lines 1 to 20 at page 3 of the bill.

Mr. Stan Darling (Parry Sound-Muskoka) moved:

Motion No. 3.

That Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be amended by deleting lines 4 to 10 inclusive in subclause 2(1) at page 2 and by substituting the following therefor:

"34. (1) For the portion of the said Parliament commencing January 1st, 1975 and ending December 31, 1975, there shall be paid to every member of the Senate and the House of Commons a sessional allowance at the rate of twenty-two thousand, five hundred dollars per annum."

Hon. Mitchell Sharp (President of the Privy Council) moved:

Motion No. 4.

That Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be amend-

ed by striking out lines 11 to 49 at page 2 and lines 1 to 20 at page 3 and substituting the following:

"(2) Section 34 of the said Act is further amended by adding thereto the following subsections:

"(3) For the twelve month period commencing January 1, 1976 and for each twelve month period thereafter, there shall be paid to every member of the Senate and House of Commons, for the sessions of Parliament in each such period, a sessional allowance at the rate per annum that is obtained by multiplying the sessional allowance payable to each such member for the twelve month period immediately preceding the twelve month period in respect of which the sessional allowance is to be determined by the lesser of

(*a*) the percentage that the Industrial Composite for the first adjustment year is of the Industrial Composite for the second adjustment year; and

(*b*) one hundred and seven per cent.

(4) For the purposes of subsection (3)

(*a*) in relation to any twelve month period in respect of which the sessional allowance is to be determined,

(i) the "first adjustment year" is the last twelve month period preceding the commencement of the period in respect of which the sessional allowance is to be determined for which the Industrial Composite is available on the first day of the period in respect of which the sessional allowance is to be determined, and

(ii) the "second adjustment year" is the twelve month period immediately preceding the first adjustment year; and

(*b*) the "Industrial Composite" for an adjustment year is the average weekly wages and salaries of the Industrial Composite in Canada for that year as published by Statistics Canada under the authority of the *Statistics Act*.

(5) The salaries and allowances payable to members of the Senate and House of Commons pursuant to sections 33, 41 and 42 and subsection 43(3) of this Act, sections 4 and 5 of the *Salaries Act* and subsection 4(1) of the *Parliamentary Secretaries Act* shall, for the twelve month period commencing January 1, 1976 and for each twelve month period thereafter, be adjusted in the manner provided by subsection (3) as if they were sessional allowances.

(6) a sessional allowance or other allowance determined for a twelve month period pursuant to subsection (3) or (5) that is not a multiple of one hundred dollars shall be rounded to the closest multiple of one hundred dollars that is lower than the sessional allowance or other allowance so determined.

(7) Within two months after the day fixed for return of the writs at each general election the Governor in Council shall appoint commissioners to inquire into the adequacy of the annual variations of sessional allowances payable to members of the Senate and House of Commons and other allowances payable to them and to report thereon to the Governor in Council, with such recommendations as they consider appropriate, within six months after the time of their appointment.

(8) Every report to the Governor in Council made pursuant to subsection (7) shall be laid before Parliament on any of the first fifteen days after the report is made that Parliament is sitting."

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, in view of the rare mood of co-operation that the House seems to be in this afternoon, giving unanimous consent to the amendment of the hon. member for Parry Sound-Muskoka (Mr. Darling), I hope hon. members will look with the same favour upon the amendment being moved in my name on behalf of the New Democratic Party. I might take this opportunity to point out to the hon. member for Peace River (Mr. Baldwin), since he is such a stickler for accuracy, that I would appreciate it if in future he would refer to the New Democratic Party in that way, or by saying "NPD", but not "NDP party". That is not correct, and I am sure the hon. member would be the first to correct this error.

Mr. Baldwin: Send me a memo.

Mr. Saltsman: I will send you *Hansard* tomorrow. This amendment seeks to do three important things: it seeks to remove the retroactivity provision in clause 34, to remove the indexing provision and to remove that part of the bill dealing with increases in expense allowances.

● (1520)

There are a number of reasons for this proposal. We take the position that the increase in members' salaries is probably acceptable and necessary, and we do not quarrel with the new salary of $24,000: we think it is adequate and will allow members' salaries to catch up. The new salary is $6,000 greater that the old salary of $18,000. That part of the bill we want to leave alone: we think it is satisfactory even though the increase is far greater than the sort of increase other members of society have enjoyed during the last number of years.

We part company with those parts of the bill calling for an escalation formula. We do this because the government has indicated that it is working on a general formula of restraint which it will ask the people of Canada to accept. We have heard it hinted that the government will ask the people of Canada to accept something less than it is asking members of parliament to accept. A serious situation is developing connected with how we are to ask Canadians to accept restraint in future. It almost seems as if the government has been saying to the more powerful elements in society, "We will overlook what you are grabbing. Go ahead. Once you have taken what you want, we will bring in restraint for those who are not so powerful."

It seems almost as if the government intends to wait until the powerful groups have finished their negotiations; then it will move in on the weaker sectors of the economy who do not have the same bargaining power and cannot disrupt the economy as effectively as the powerful groups. It will impose restraints on the weaker groups if they do not go along with the government. In the meantime, the strong and powerful will have taken what they can. Included among the strong who to some extent can dictate their income increases are members of parliament and, of course, members of the other place. This is wrong. If we seriously want the Canadian people to accept a policy of restraint, we should apply that policy to ourselves. Surely, this is the place to start. If we do not do this, any government policy of restraint will be suspect. As it is, much damage has been done to the government's credibility.

I think there is still time to do something; that is why I urge members of the House to consider the importance of this question and to support this amendment. It will be argued that we are not taking as much, in percentage terms, as other sectors of the economy have taken. Let me point out that increasing by 14 per cent the salary of a man

earning $9,000, $10,000 or $11,000 is not the same as increasing by $6,000 the salary of a member already earning $18,000. The increase in the present instance is to apply right across the board. While it may be difficult to justify such a salary increase, it is even more difficult to justify an increased expense allowance and the inclusion of an escalator clause.

Let me deal with the salary question by itself. As I said, we accept the proposed salary of $24,000 although that is going further than the hon. member for Winnipeg North Centre (Mr. Knowles) would be willing to go. I think his position is that there ought to be no increase at all. We have agreed that we are prepared at least to accept an increase in salary. We do not want to stand pat and say "nyet" to everything. We think the increase is necessary although we know that one could argue against it. But, Mr. Speaker, I point out that the cost of living does not go up equally for all. For those at the $18,000 level, the increased cost of living is less onerous than it is for those at the $10,000, $9,000 or $6,000 level. It does not cost us that much more to eat than it costs a family trying to live on $8,000 or $9,000.

An hon. Member: Especially in the parliamentary restaurant.

Mr. Saltsman: Especially in the parliamentary restaurant, as my colleague says. I brought a young relative of mine to parliament. I thought he would be terribly impressed by the buildings, the procedure, the debate and the distinguished people in the House of Commons. I made the mistake of taking him to the parliamentary restaurant. The only thing that young man remembers is that he had never seen food that was so cheap and so good. That was his total impression of parliament. We will try to correct this impression over the years. I merely give this example to show that our costs are not as high as some make out.

I know there are many disadvantages to being a member of parliament: one incurs expenses which others do not incur, and so on. But we tend to gloss over the benefits we receive and not to set off our benefits against costs. A significant portion of the income of those receiving $18,000 a year, or $24,000, does not go to consumption. Almost all the income of those earning $7,000, $8,000, $9,000 pr $10,000 goes to consumption because a family in Canada of any size cannot live on much less. But when you earn $18,000 a year, although much of your income goes to consumption—to consumption at somewhat higher levels than average—part of your income goes to savings. I know members of parliament will tell you—I have no reason to doubt them—that they have no savings, that they are in hock to their bank manager and that they find it hard to get along. I am sure there is truth in what they say. But they tend to overlook the fact that a substantial part of their $18,000 salary goes toward retirement savings plan, which is certainly an excellent form of saving. The pension plan of members of parliament is better than any other pension plan I have seen.

Mr. Peters: It is not better than the judges' plan.

Mr. Saltsman: My hon. friend says that it is not as good as the judges' plan. Perhaps that is the only exception. Certainly, the members' plan is superior to the public service plan and superior to any plan in industry. It is much better than any general pension scheme I have seen. If we increase salaries to $24,000 we shall increase our ability to consume and to compensate for the effects of inflation. We shall also increase our level of savings because much of the increase will go to savings. Statistics show that those in the higher income brackets—we, obviously, are in the top 10 per cent of income earners, even at our present salary levels—apply less of their incomes to consumption and more to savings. When you are living at the margin on an income of $7,000 or $8,000 you do not save.

When you want to index an income, you must first choose the index which is to apply. You may choose the industrial composite index. That index, the ICI, may at some future time be lower than the CPI, although I doubt it. Traditionally, it has been higher than the CPI. We use the CPI as the general index when we want to adjust family allowances or old age pensions. It is evidently a cause of great dissatisfaction in this country that we tie old age pensioners to the lower index, yet when we apply indexing to ourselves we use the industrial index which provides some benefits. The government has tried to get around this by saying we are not going to take the entire amount, only 7 per cent or some other figure, depending on what amendments may be introduced. It is, nevertheless, wrong to have two standards, one for society in general and another for members of parliament and a few others. It seems we are going out of our way to aggravate society and discredit parliament by our behaviour.

● (1530)

In our view, the indexing should not be retroactive: there is no justification for that. When retroactivity is negotiated in a labour contract, it is based on the fact that there is a large overlap. If there is an argument for retroactivity, surely the period of retroactivity should go no further than the point at which we started discussing this bill, which certainly is not back to July 8, 1974. Therefore, it is our view that the retroactivity section should be struck out. It should be sufficient to increase our salaries from $18,000 to $24,000.

Our final objection is with regard to the expense allowance. That, more than anything else, is offensive to the public. There are only a few elements in society which have this and they seem to have taken their cue from federal behaviour. Everyone has to account for expenses. I receive letters from businessmen and trade unionists who are reasonably sympathetic with the idea of a salary increase. Other people have had their salaries increased and they feel that members of parliament are entitled to some increase. However, no one agrees there should be an unaccountable expense allowance. There should not be any increase without some accounting being made. Up to this point, no one has provided evidence to persuade me that there is any justification for increasing our expense allowance.

A number of things have happened in the past few years that have in fact reduced my expenses. For many years I sent out newsletters to my constituents. I carried the cost of printing and the cost of postage out of my expense allowance. For many years the cost of maintaining constituency telephones in the constituency offices came out of

my expense allowance. Admittedly, my expenses were somewhat more than my expense allowance, but not much.

We now have certain additional benefits. Four times a year we are permitted to send out newsletters at public expense. That is a tremendous benefit and something we should take into account when talking about expense allowances. We are now allowed a very substantial amount for a constituency office and constituency officer. That also has to be taken into account. This is why I see no justification for increasing the expense allowance and certainly not for indexing it. If there is going to be any increase, it should be based on members of parliament accounting for the use of that money.

I want to say a few words about accounting for expense money. During the committee hearings, three members took exception to the position which I have outlined in the last few minutes, namely, that there is no need to increase the expense allowance and, if it is increased, it should be accountable by evidence that the money was spent in certain ways. A number of arguments arose in the committee. The first member who took issue with me was the hon. member for Yukon (Mr. Nielsen). I said that he is one who in fact has a grievance.

We have met that grievance by making special allowance for people who live in remote territories. Even though that special allowance is greater than that received by most members, it still may not be enough. If it is not enough for members who represent these large constituencies that are peculiar to Canada, they could submit their expenses. Even if they are twice as great as the amount allowed under this or the previous bill, I am sure most people would agree they are acceptable expenses.

I did not hear any member from Ottawa say that he has expenses far in excess of those permitted under the old legislation or this legislation. In fact, they do not. Members who live in Ottawa receive a windfall benefit from something that is really organized on a kind of mutual ground. Certainly they do not have the double-housing problem or the transportation problem of most members of parliament. They may not even have the same constituency office and constituency telephone problems of most members. We should try to be fair.

Members who live in or close to Ottawa should receive less than the amount now in the legislation. Those who live in the northern parts of Canada should perhaps receive substantially more than is provided for in the legislation. As long as some evidence is provided to show how the money is used, I am sure that would be acceptable to the public. The public understands that you cannot have the same population measure for representation in the Yukon and the Northwest Territories. They know that because of the nature of this country it is more expensive to maintain democracy in the northern areas of Canada: they accept that and are happy to do so.

One member in committee was quite outraged by what I had to say. He said that he attends many weddings and has to give many gifts. He pointed out that the cost of those gifts sometimes exceeds $2,000 a year. Was the hon. member trying to suggest that somehow the public has a responsibility to ensure that he has enough money to make gifts so that he can be a great fellow and be re-elected? We do a lot of that anyway. The public pays for a great many things to help members of parliament become re-elected.

While newsletters, ostensibly, are reports of members of parliament, surely they have some political connotation attached to them. Certainly, newsletters are a way of reinforcing the work of a member of parliament. This is also true of constituency offices: they certainly enhance the ability of a member of parliament to get himself re-elected. Do we also have to start paying for wedding gifts out of the public treasury? I always thought that generosity was something one did not indulge in under certain circumstances, and it is true that if you have less money, if the expense allowance does not go up, you may not be able to give so much to the United Appeal, to the Red Feather, to Cansave or to other kinds of organizations. But then we would not be in a position any different from that of any other citizen in this country who gives according to his ability to give.

● (1540)

It should not be a source of shame to a member of parliament to say, "We are not the highest paid income earners in this country. We can't count these contributions as deductions as if we were corporations; therefore I am going to give in harmony with my earnings." Everybody will understand that there is not some kind of bottomless pit. But what people will understand is an MP saying, "I need to be generous. Give me the money so I can be generous with it." Therefore, this whole business of saying we have terrible expenses, we buy raffle tickets and give to all kinds of organizations and therefore these expenses should be included in the expense allowance, strikes me as not being a legitimate argument at all. These things should come out of one's income and should not, in my opinion, come out of a separate public fund.

When the President of the Privy Council appeared before the committee and urged certain amendments, I put to him this question of the justification of expense allowances. I thought I was being fair when I told him that I had come to the conclusion that an increase in expense allowances was not justified. I also told him that other members of this House had reached the same conclusion. I asked him to demonstrate to me that we were not correct in our assumption.

I told the President of the Privy Council that I would be prepared to change my mind if he provided some substantial evidence to the committee justifying such an increase. His answer was that he had not conducted any research into this aspect and that he was not in a position to give the kind of answer I sought. I asked him why he had come to the conclusion that the increase was justified. He replied that other members had told him the increase was justified and that they required it. Surely, Mr. Speaker, on something like this which has aroused so much public anger, this provision more than any other is what sticks in the craw of the public—that we can not only vote ourselves an unaccountable expense allowance but that we should now be asking for an increase in that allowance.

It does not stop there, Mr. Speaker. Because we do it, municipal councils now do it, provincial governments now do it and heaven knows who else now does it. I think it is incumbent upon us at the very least to draw the line here.

If we are not prepared to go in the direction I think we should go, that is, to eliminate this business of unaccountable expense allowances completely and say there are certain things in respect of which members should submit accounts—we should at least not increase the allowance unless there is some evidence placed before us and before the public to show that an increase is justifiable.

If the amendments we are proposing, or something similar to them, are not acceptable to the government, perhaps the government would propose something of the same substance in their own wording. If so, we would be prepared to support it. In the absence of such amendments, enormous damage is likely to be done to any restraint program that parliament tries to institute. We have already done a certain amount of damage, although I do not believe it is irreparable. If nothing is done, though, I think we will increase that damage and the credibility of members of parliament will come seriously into question. That is terribly important, Mr. Speaker. A democracy depends upon people having a high degree of confidence in the men and women they elect to serve them in the parliament of their country. If that credibility is diminished, if that confidence is reduced, then democracy itself is diminished and reduced.

While the money is always nice—and I am no different from anyone else; I never have enough money to do the things I want to do, and in some cases people have persuaded themselves that they desperately need this kind of money—we have to balance this against our special role as members of parliament. We are different from other people. We are not better—I am not suggesting that for a moment—but we are different. There are 264 of us, out of a population of 22 million in this country, and there is a special responsibility laid upon us. This special responsibility is not only laid upon us; it is one we have accepted as members of parliament.

Had we wished to make money, there are much better ways of making it than by being a member of parliament. Had we wanted fame or success, there are probably much better ways of achieving them than by being a member of parliament. Had we been seeking security, there are better ways to find it than by becoming a member of parliament. But we have chosen this special responsibility, and I therefore appeal to members to consider this aspect and to weigh it against the benefit of receiving a higher income, which is what anyone would like. That is really the question which has to be decided when determining our attitude toward these amendments.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I certainly do not need half an hour in which to speak on this occasion, because everything has been said, everything has been written. We have all received, I don't know how many letters or how many newspaper clippings telling us what should be done, and so on. Standing on my feet now, I am well aware that members from both sides of the House would prefer me to sit down. Nevertheless, I should like to say a few words.

When this bill was first brought in, setting the increase at 50 per cent, I was shocked. I said so then and I say so today in no uncertain terms. I said then that we must set an example. When the amount was reduced to 33⅓ per cent, I stated that if this amount could be justified I would support the proposition. As the previous speaker has told us, we are in a unique position. As members of the highest court in the land, we are here to set an example.

I believe I was quoted as long ago as December 19 as saying that if 50 per cent was asked for, we would be further ahead if we took 25 per cent, apart from the fact that it would look better in the eyes of the public. This is the reason I put down my amendment. I do not need to go on giving the reasons for it. It amounts to $4,500 in hard cash. I am not good at the intricacies of fractions, and so on; but I think the House should give consideration to this amendment on the basis of setting an example to segments of labour in other parts of the country which are asking for outrageous salary increases. If we accept something which is pretty high, then, of course, all they will do is point the finger of scorn at us. I hope the House will consider my amendment favourably, and I trust we shall be able to get along on what is proposed.

Some hon. Members: Question.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am surprised that the President of the Privy Council (Mr. Sharp), whose motion we are discussing, should not be here.

An hon. Member: Oh, come on! Be reasonable. He has just stepped out for two minutes.

Mr. Peters: I am simply curious.

An hon. Member: You were not here last week at all.

Mr. Knowles (Winnipeg North Centre): Why doesn't the minister speak to his own motion?

An hon. Member: That is very mean.

● (1550)

Mr. Knowles (Winnipeg North Centre): Why doesn't he speak to it?

Mr. Peters: I am curious as to why he is not here.

Mr. Lefebvre: He is here more often than you are.

Mr. Knowles (Winnipeg North Centre): Then why doesn't he speak to his own motion?

Mr. Peters: I hope the *Hansard* reporters are able to get some of these comments from members who cannot make speeches from their feet but do so from their seats. At least it will be noted in *Hansard* that they have done something, which is more than they are likely to do in other instances.

I am concerned with the way parliament handles our salaries. I was interested to hear the comments of the hon. member for Waterloo-Cambridge (Mr. Saltsman), some of which I agree with. I think members of parliament, and perhaps members of the public as well, should give consideration to a remark that was made this afternoon by the Minister of Transport (Mr. Marchand) which I think is apropos this debate. When someone mentioned his deputy minister and asked whether the minister intended to do something about him, the minister said—I am paraphrasing him—that he was doing the job he was supposed to do

and was getting well paid for it, that he was getting considerably more money than the minister and he was glad his deputy was able to do so.

It has always surprised me that in our structure a cabinet minister gets less money than a deputy minister. In some cases a cabinet minister gets less than half what a deputy minister gets, which seems to me a rather odd situation for a government that is supposed to be democratic. Although parliament makes the decisions, we are willing to pay the mandarins in the civil service considerably more than we pay the boss, I know of no other field where this happens.

I am also surprised that some members of parliament believe they can increase their prestige by being highly paid. It is certainly true in society in Canada today that the man who is paid the most is obviously the boss of the enterprise. Cabinet ministers receive something like $60,000, members of parliament receive considerably less, yet we are supposed to be on an equal footing with cabinet ministers. I am not sure how the rate structure in the civil service has been developed but I have always been very concerned that the same system prevails in this House.

I think this is the fourth time we have increased our salaries since I have been here. The last time I said I would not support an increase in salaries and allowances unless a continuing formula was worked out that was related to the increase in the cost of living, or increase in expenses or some such criterion. Since that time we have been able to increase the amounts paid to those for whom parliament is responsible, such as the old age pensioners and war veterans, including federal payments to the provinces for the care of those whom the state looks after. We have done this fairly effectively on the basis of a cost of living escalator clause. Yet when we come to examine our own indemnities we have a different kind of escalator.

I do not care so much about the money involved. I do not think it really matters if we increase our salary to that of a deputy minister; I am not sure that it would make very much difference to the economy of this country. Paying 265 members of parliament a salary that puts them in the top 20 category in the civil service is not going to bankrupt this country. However, there does seem to be a need for legislators who want to increase their salaries to do so, in light of what other people are receiving. If we are going to move to the industrial composite index, then we should immediately tell all the old age pensioners, war veterans allowance recipients, all pensioners and those on fixed incomes, that instead of tying their pensions to the cost of living index we are going to tie them to the industrial composite.

I am sure most members of parliament would agree that it would be difficult to establish a classification for MPs. Each member's role is different from that of his neighbour. It differs from area to area. I am not prepared to argue whether the Ottawa members need more money than Toronto members because I think both play different roles. Therefore, I find use of the industrial composite wage index somewhat unusual. Whether we use the cost of living index or some other index, if we put a limit on any increase of, say, 7 per cent when the increase in the cost of living this year has been 12 per cent, it seems to me we are being schizophrenic.

Hon. members who were here when this question was discussed in 1970 or 1971 will recall there was considerable discussion between myself and the Secretary of State for External Affairs (Mr. MacEachen), who at that time was president of the privy council, over whether or not we should use an escalator. Obviously, we had to face the problem again and now we are facing it. I do not think we as members of parliament are competent enough or able in any way to decide what our own requirements are when we look at members of parliament as a class, since each member performs his own distinct role. For example, an Ottawa member will have an office that is easily accessible to people in his area. I may have to drive 200 or 300 miles over the weekend in order to see eight or ten people, whereas an Ottawa member can perhaps see 200 people and not need to drive anywhere. This is why I say it is very hard to arrive at some sort of classification for all of us.

I would much rather see some sort of permanent index written into the bill, and I see nothing wrong with using a cost of living index that has been built up over a long period of time, one which is used for other programs in order to maintain the standard of living of other people. This would mean going back to the suggestion I made in 1970-71 in respect of a cost of living bonus. I would be willing to have it at that level, as that is exactly what I wanted then. There is nothing inconsistent about that. I agree that this will be a considerable amount of money because the cost of living has been rising rapidly throughout this period. This would mean we could do for ourselves now what we are willing to do for everyone else.

● (1600)

I think this government will find itself in extreme difficulty if it is not willing to change the indexing formula as it applies to others, thereby applying one formula to them and a different one to ourselves. Almost every labour agreement negotiated this year has included a cost of living escalator clause, or an amount of money equivalent to that cost of living increase, plus an additional amount to keep those workers on par with others in our society. In many of these contracts the cost of living factor has been more important than the increase in wages. Many of these contracts have called for a 10 per cent increase each year for the duration of a three-year contract, amounting in total to 30 per cent. They have called for a 5 per cent increase in respect of the standard of living, also per year for the term of the contract, so without taking any other benefits into consideration this amounts to a 45 per cent increase. This in fact is an inflationary factor in our economy.

We will find it very difficult if we set our own standards above the formula we are asking the country generally to accept. The Minister of Finance (Mr. Turner) is asking labour, business and all segments of our society to hold wage demands to 7 per cent per year, or less. It will be difficult for the Minister of Finance to justify that kind of restraint when we are not willing to apply it to ourselves. Any formula that allows for renegotiation of a basic salary increase will not solve the problem I should like to see solved.

There has been some discussion about the allowance we receive. For most people, this allowance is mixed in with

their wage structure. I, personally, have one current account into which I put all my money and from which I make all my payments, and I do not worry about whether the money comes from the wages or allowance side. When that money is gone, I have to look for more.

An hon. Member: You draw on another bank.

Some hon. Members: Oh, oh!

An hon. Member: The one in Switzerland.

Mr. Peters: It is not quite that drastic, but I always have found that when you do not have the money, you cut down on something and very often it is the commitments you make on the basis of the allowance. I agree with the remarks of the hon. member for Waterloo-Cambridge in this regard only up to a point. I differ from the hon. member in that I prefer that the allowance be non-accountable. I was in a business for some time, operating on a salary plus an expense account and the expense account was considerably higher than the salary. I found that I could write off almost anything on the basis of expenses, but this involved a great deal of accounting. For this purpose one needs an accountant and a financial structure. One also needs to be as crooked as hell about a lot of things. Many of these things are legitimate expenses. For example, I operate a mobile office in my constituency because of its size. I know it would be possible to sell that unit to someone else who is not a member of my family, and rent it back, charging the cost against expenses. Whoever I rent the unit from has to carry insurance, pay for the licence and set up a bona fide accounting system.

Many of these expenses are legitimate but they must be accounted for by the individual for the purpose of his income tax. I know from experience that this never works out, so I have decided to operate the unit myself. From my point of view it is better to buy the unit, operate it yourself, carry your own insurance and licence and forget about the assistance provided by the government. I know that I could probably operate in a different way at a considerable saving, but this would involve a lot of monkey business and a lot of expenses that are honest in a business sense but morally irresponsible. For that reason I do not want this expense allowance on the basis of having to account for it. It is not that my expenses are anything but legitimate, but this involves hiring an accountant in order to write off all the legitimate expenses for the purpose of my income tax return.

I am the representative of the people who elect me and I am happy to make the expenditures necessary to represent them. When I have no more money, I spend no more in respect of that representation. I have in mind the cost of flowers for funerals as well as the cost of wedding gifts and other such expenditures. I would not enter the cost of the wreath for someone I knew as an expense or a deduction on my income tax. When I start providing wreaths for people who are not my friends and using the cost as a legitimate expense, I will quit buying them. Quite frankly, I do not want to see this allowance put on the basis of an expense account because I consider most expense accounts to be factually correct and acceptable to the Income Tax Department, but morally dishonest. They are legitimate as far as the Income Tax Department is concerned, but in my opinion they are often morally wrong.

There are other expenditures that could be added to those which we now consider normal. We, as members, no longer have to pay for our own stationery. I remember when we had to buy our paper. When I first came here I think we received 2,000 sheets free, and if you wanted more you had to pay for it: if I remember correctly, the wholesale cost to a member was $2.75 per 1,000 sheets. We had such a lousy bookkeeping situation at the time that I always ended up paying twice before getting my account settled. We also had to hire extra staff. Many of us bought mimeograph machines. This place used to have many such machines out in the hallways because there was not room in one office for two members, two secretaries and a mimeograph machine. So the mimeograph machine was put out in the hall, where one often saw two or three people and a bunch of kids stuffing envelopes and sometimes working in the evenings and on Sundays. That has been stopped and we now serve our people better.

● (1610)

I think there are additional advantages we can obtain that will be of advantage not to us but to our constituents. I am pleased to note that there is a royal commission travelling around the world looking at the way in which other parliamentarians serve their constituents. I am awaiting their report with great interest. In the meantime, unless we are willing to do the same for all those for whom we are responsible, that is, provide a cost of living index which goes back to the last increase, then I am not prepared to support such a program for us.

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, here we are again, engaged in one of parliament's periodic exercises in self-flagellation. It is quite unnecessary. We could have done as several other countries have done quite sensibly, that is, provide for a system of regular, independent reviews of remuneration for parliamentarians. My bill, C-335, would have established such a system, according to which every four years a review would be made not only of the salaries of parliamentarians but of those of federal executive and judicial officers, and adjustments made as a result of its recommendations at the time of the following general election.

I have no objection to the salary levels proposed in this bill and I disagree with those hon. members who tell us that they are excessive. I think that any reasonable person, in looking at comparable salaries in the professional, academic or business world, or for that matter in the trades, would agree that the proposed salaries are quite reasonable. However, I take exception to the approach and the timing of this bill. With all due respect to those who have proposed it, both on the back benches and the front benches, let me say that there has rarely been a more tanglefooted effort in the history of this parliament.

I oppose the principle of indexing. I think that parliament should decide on the basis of independent review and recommendation. It should take the responsibility for fixing what the appropriate remuneration should be for the members of the next parliament. I do not believe we should be incorporating in this bill a provision for the

indexing of parliamentary salaries. I do not believe that we should be, ideally—although there has been so much neglect in this respect that it is hard to avoid it—legislating a change in our remuneration without having received an independent recommendation in this respect.

I believe we should have taken the recommendations of the Beaupré commission to heart and implemented them at the time the commission's report was received. One of the recommendations in that report was to do away with the non-taxable expense allowance and to make the salary a reasonable one. I think that if members will inspect the recommendations of that commission with respect to expenses, they will find those recommendations eminently sensible and reasonable.

I do not want to take up much time on this matter. I cannot beat my breast and appear here in sackcloth and ashes and tell you that I think the proposed salaries for members of parliament and others provided for in this bill are excessive, because I do not think they are. But I object to the process we are adopting and I deplore the neglect of the government over too many years to establish a sensible system of independent review and adjustment of remuneration for federal executive, legislative and judicial officers. I believe that we should attempt in this bill, if we do nothing else, to establish such a system.

I welcome the amendment of the President of the Privy Council (Mr. Sharp) to provide for a commission of sorts, and I welcome the change in his amendment which would leave the decision as to the implementation of the recommendations of the commission to parliament and not to the cabinet; but I still object to the manner in which the commission is to operate. It is my suggestion that a commission should be appointed in the middle of a parliamentary term, not at the beginning.

We can see now how difficult it is for brand new members of parliament to face the prospect of awarding themselves an increase in remuneration. Surely such a commission should be appointed in the middle of a parliamentary term and it should report as promptly as possible. Parliament should have the opportunity to act on its recommendations, but any variations in remuneration which may be enacted as a result of those recommendations should take effect after the next general election.

Therefore, I move, seconded by the hon. member for Halton (Mr. Philbrook):

That motion No. 4 be amended by deleting therefrom the words "within two months" from subclause (7) and substituting therefor the words "within one year after this act comes into force and within two years", and by adding subclause (9) as follows:

"Any variations in remuneration which may be enacted in any parliament shall take effect on the day of the next subsequent general election".

This would have the effect of requiring the commission to be appointed within a year from this act coming into force. There would be time for the commission to report, to have its report tabled, for the Parliamentary Secretary to the President of the Privy Council to make his contribution as to what he thinks is reasonable in the recommendations, and for other members of parliament to do so. We would then make a decision as to what would be reasonable remuneration, not for ourselves, unless we happened to be re-elected, but for members of the next parliament. I urge hon. members to give serious consideration to this proposal.

● (1620)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to speak to motions Nos. 2, 3, and 4 which are before the House. I wish to move another amendment to motion No. 4 but I am awaiting direction from the Chair. Are we now debating motions Nos. 2, 3, and 4, or are we debating the amendment proposed by the hon. member for York-Scarborough (Mr. Stanbury)? If we are debating them all and there will be a whole series of deferred votes, I am prepared to speak now; but I await Your Honour's direction.

The Acting Speaker (Mr. Penner): The decision of the Chair in this regard is to defer all votes until the debate is concluded. Then, when motion No. 4 and its amendments are called, the division will take place on motion No. 4 and the two previous motions, along with the amendments to motion No. 4.

Mr. Knowles (Winnipeg North Centre): Thank you, Mr. Speaker. It struck me that there were two or three ways to do it, but your way is very sensible. I rise also to move an amendment to motion No. 4 dealing with other subclauses besides the subclauses which the hon. member for York-Scarborough seeks to amend. My amendment will deal with what I think is a most dishonest step the House is taking if it passes motion No. 4. But before I come to that may I say just a few words about the matter as a whole.

Hon. members are fully aware, I trust, that I am opposed to our raising our salaries and allowances at this time. I think it is far too soon after we sought election at the polls at rates we knew were in effect. I think the economic situation in this country is very serious. It is so serious that the Minister of Finance (Mr. Turner) has promised to bring down another budget within a month. It is likely that he will have something to say about restraint practices and for us to be exercising no restraint, but to be doing the very opposite with respect to our own salaries and allowances, at this time is utterly irresponsible. I earnestly hope that despite all the emotion and feeling which exists about this measure, hon. members will yet agree that action by us on this question should be deferred.

My hon. friend from Timiskaming (Mr. Peters) has made a point which I feel is very cogent. We have before us a proposal that the salaries and expenses of members of parliament should, in a sense, be related to the industrial composite index. I realize that there is a 7 per cent ceiling, but nevertheless it is the industrial composite index which is cited for us, whereas we have refused to give the benefit of that better index to old age pensioners, veterans, recipients of family allowances, retired public servants, retired RCMP and armed forces persons, retired railway workers and all the rest. What kind of beings are we to say no to this for everyone else, but to take it for ourselves?

An hon. Member: Greedy.

Mr. Knowles (Winnipeg North Centre): I plead with hon. members to do some thinking about this. I know there are hon. members who keep citing what other per-

sons receive. I received a memo from one of my colleagues in the House which shows what top public servants receive and the increases they have had, and I am reminded of what teachers, longshoremen and all sorts of other people receive. I am not concerned about the people who make as much as I do, or more. There are not very many in the latter case. We are among the top 2 per cent or 3 per cent of the income earners of Canada. Statistics vary; sometimes it is the top 1½ per cent and sometimes the top 2 per cent, but certainly we are in the top 3 per cent or 4 per cent.

Mr. Sharp: We're in the top ten.

Mr. Knowles (Winnipeg North Centre): The President of the Privy Council (Mr. Sharp) says "the top ten." I question his figure, but I am prepared to accept it. If we are already in the top 10 per cent, we have no right to be improving our economic position at this time. I am not concerned about the relationship between what I earn and what is earned by others receiving as much or more. I am concerned about the 90 per cent or 95 per cent of the Canadian people who earn less than I, particularly the 40 per cent or 50 per cent who earn a great deal less than those who make up this House of Commons and the other place. For us at this time, when there is so much need and distress in the country, to be improving a position which is already very good, in my view is not the mark of responsible statesmanship and I hope we will give some more thought to it.

I want also to say that I think the Prime Minister (Mr. Trudeau) and the Minister of National Health and Welfare (Mr. Lalonde) are right when they complain about the inequalities in our society and in our world. One of the best statements about world inequality yet made was made a few weeks ago overseas by the Prime Minister. One of the best statements on the evils of inequality in our Canadian society was made by the Minister of National Health and Welfare in Toronto last fall, and he made another good speech a few days ago in Toronto on the necessity of our doing something about poverty in this country. That is what I came to parliament for, more than three decades ago. It has been the concern of my life to minimize the inequalities, to move in the direction of an egalitarian society, and I think for those who are in the privileged position we are in to use that privileged position to worsen the inequalities in our own favour is not the mark of responsible statesmen. Therefore, I hope we will think a little longer about this matter.

I confess that I take some pride in the fact that this bill has been around for a long time, that it has been delayed several months. It was brought in last December and the hope then was to have it through before Christmas. Here we are, almost into the month of May, and it is not through yet, and those of us who have caused the delay have done a service. The result is that in the intervening time some thinking has been done. Even the point of order I raised last week, on which Mr. Speaker ruled favourably, has had one substantial effect. The amendment to the bill regarding the commission which was before us last week when Mr. Speaker ruled three amendments out of order and to which the hon. member for York-Scarborough has referred was set up in such a way that once the commission reported to the cabinet in future parliaments, the cabinet could put increases into effect by order in council.

I found it offensive beyond understanding that this House would consider giving to the cabinet in future parliaments the right to make increases in the indemnities and allowances of members of parliament. Thanks to the ruling made from the Chair last week, there have been a few days to think it over. The amendment put in today in the name of the President of the Privy Council still includes commissions to be set up after each general election, but there has been withdrawn from it—and I commend the government for this—the right of the government to put the recommendations of such a commission into effect by order in council.

If there have been several changes since last December, and if there has been this further change since a week ago tomorrow, I suggest that a little more time might cause the members of the government and the members of this House to give a little more serious thought to the enormity of what we are doing. I have in mind the fact that we are in the very top income earning bracket of the people in this country and this separates us, as the elite, from the people we are supposed to represent. In my view, we should not be doing it at all.

● (1630)

The several amendments now before the House, both those that were on the order paper and those moved on the floor, deal with several things. I can see the voting getting a bit complicated when the time comes, because all those things have been put together, the question of the amount of the indemnities—is it to be $24,000 or is it to be $22,500 as proposed by the hon. member for Parry Sound-Muskoka (Mr. Darling)? I understand the reason he arrived at that figure is that it would represent a 25 per cent increase over what the pay is at the present time.

Then the question of the effective date is involved. Is it to be retroactive to last July 8, the day of the election, is it to be retroactive to January 1, 1975, or is it to come into effect on July 1, 1975? The various votes will have to deal with these various issues.

Then there will be the question of the commission. I am glad the President of the Privy Council has dropped the impossible idea in permitting increases in future parliaments to be brought in by order in council. But now from the hon. member for York-Scarborough we have a real improvement in the idea of a commission. The commission in motion No. 4 is simply a commission appointed after each election to consider an increase in the pay for that immediate parliament. But the proposal of the hon. member for York-Scarborough is that we set up a much more independent commission with authority to review the whole matter of what happens to members of parliament and to make recommendations which could only be put into effect for the succeeding parliament. I think he is to be commended for the proposal, and his amendment will certainly have my support.

The other thing that is done in this batch of motions and votes now before us, concerning which I intend to move an amendment, is something that I regard as a piece of gross dishonesty. I refer to the 7 per cent compounding escalation that is provided in motion No. 4 moved by the Presi-

dent of the Privy Council. That 7 per cent does not sound very bad when you say it fast. I want to say a couple of things about it, but I had better get to the reason I am calling this a piece of dishonesty.

When the proposal was made for an across the board 50 per cent increase last December, I think it is a truism to say there was a howl about it in the country. We vocalized some of that howl here on the floor of this House and the government, within a matter of days, recognized that and said, "All right, we will come down. We will come down from a 50 per cent increase to a 33⅓ per cent increase". The country was given the impression that members of parliament had pulled in their horns and were willing to settle for 33⅓ per cent instead of 50 per cent.

If it had stopped there, perhaps one could commend it. But when you add an escalation in January, 1976, another one in 1977 and another one in 1978 of 7 per cent on the salary and allowances that were in effect the immediately preceding December, you produce a compounding effect. The result is that by 1978 the increase will be 63 per cent over what we are now receiving. So it is not just 7 per cent simple addition; it is 7 per cent compounded. If you take the 33⅓ per cent and compound it by 7 per cent, by 1978 the increase will be 63 per cent over what we are now receiving.

This is the reason I respond so warmly to the amendment of the hon. member for York-Scarborough. Under the present bill the 7 per cent compounded goes right on. We do not need to raise the issue again. By 1982, presumably the time of the election after the next one, the increase will be 113 per cent. Members vote the 33⅓ per cent and then tell the country what fine people we are, settling for that instead of 50 per cent. But we add on 7 per cent compounded, so that by the time of the next election it is up to 63 per cent, and by 1982 it is up to 113 per cent.

This is completely indefensible, Mr. Speaker. I am quite prepared to agree with the hon. member for Timiskaming, all of those ideas do not tally exactly with mine, that salaries, accommodation and all the rest for members of parliament needs to be reviewed; but surely we should not act before a review in a way that would provide these increases that become so outlandish as the years go on. Of course, 7 per cent sounds simple, but once you get our pay up to 100 per cent of what it was, then a 7 per cent increase of that amount is really 14 per cent of the base you started from. I really think the House should slow down, Mr. Speaker, and give further consideration to this whole matter.

I said a few moments ago that within a few weeks the Minister of Finance is going to be bringing down a budget. My hon. friend from Waterloo-Cambridge (Mr. Saltsman) asked, and so do I, what right we have, in anticipation of a budget that is going to talk about restraint, to act now? Maybe what is being proposed will be within any restraints proposed by the Minister of Finance. I doubt that, but it could be. If that is the case, why can we not wait? We are going to look awfully greedy, as members of parliament, when the minister brings down that budget proposing restraints, if the people of the country can ask how the Minister of Finance can propose restraints which are so much more severe than members of parliament accepted when they passed their pay bill at the end of April or the beginning of May.

There are other amendments on the order paper and I will have a chance later to say something about expense allowances under motions Nos. 5 and 6. I shall also have something to say about giving more money to the Senate under one of those motions, and about the effective date. So perhaps I have said enough at this stage of the debate, Mr. Speaker.

I therefore, move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That motion No. 4 be amended by deleting therefrom the proposed new subsections (3), (4) and (5).

The effect of this amendment would be to leave the salary at the $24,000 figure or, if my friend's amendment carries, at $22,500 for the balance of this parliament. We would wipe out the dishonesty of saying we are giving ourselves only a 33⅓ per cent increase and then letting it go up to 63 per cent at the end of this parliament. We would conform to the suggestion of the hon. member for York-Scarborough that this sort of thing should not happen and that there should be a commission to review it for future parliaments.

I suggest very strongly that a combination of these amendments would make this parliament look a lot more responsible than it has thus far. If my amendment can be adopted, accepting whatever salary we decide on for the balance of this parliament and providing for no escalation until it has been reviewed, and then if we can pass the amendment of the hon. member for York-Scarborough and get a commission to review the matter on an independent basis with a view to making changes for the next parliament, I think the position of this institution would be much more responsible that it now is. We might get back some of the credibility that we are losing because of the demands that we seem to be making on the public treasury because of our privileged position.

● (1640)

I hope, therefore, that the House will consider seriously the amendment which I have proposed, namely, that motion No. 4 be amended by deleting therefrom the proposed new subsections (3), (4) and (5).

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): Before putting the amendment, I remind hon. members, as I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) knows, that it is irregular to have two amendments to a motion. However, I believe the Chair bears some responsibility for the situation. We are following a somewhat complicated procedure involving a number of motions and deferred divisions.

In order to carry out what was suggested earlier by the Chair, the second amendment will be put. The question is on the amendment to motion No. 4 proposed by the hon. member for Winnipeg North Centre. All those in favour of the said amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed amendment stands deferred. The question is on motion No. 3 standing in the name of the hon. member for Parry Sound-Muskoka (Mr. Darling). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred. The question now is on motion No. 4.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Is it not necessary for Your Honour to put first the questions on the two amendments, the one moved by the hon. member for York-Scarborough (Mr. Stanbury) and the one moved by myself? Should not the question for the vote on motion No. 4 be called after we find out how the votes will go on the amendments?

The Acting Speaker (Mr. Penner): The main motion will be called and then the two amendments to the main motion in the order of presentation to the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, is there not a simple rule of procedure which says that if there is a motion and an amendment before the House, the amendment must be voted on first? I think you will find that not many in the House will argue about that. Surely the amendment must be voted on first. There are two amendments. I submit that the votes on those should be taken first.

The Acting Speaker (Mr. Penner): The first amendment to motion No. 4 is the amendment in the name of the hon. member for York-Scarborough (Mr. Stanbury). The question is on the amendment to motion No. 4, in the name of the hon. member for York-Scarborough. All those in favour of the said amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): All those opposed to the said amendment will please say nay.

Some hon. Members: Nay.

[The Acting Speaker (Mr. Penner).]

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Pursuant to section 11 of Standing Order 75, the recorded division on the amendment to proposed motion No. 4 stands deferred.

The question is on the second amendment to motion No. 4, in the name of the hon. member for Winnipeg North Centre. All those in favour of the amendment to the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

● (1710)

After the ringing of the bells:

Mr. Speaker: Order, please. Pursuant to the terms of Standing Order 75(11), the House has considered and disposed of motion No. 1, has deferred divisions on motions Nos. 2 and 3, and on two amendments to motion No. 4. I therefore propose to call the division on motion No. 2.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I believe the votes on motions Nos. 2 and 3 were deferred. Motion No. 4 had two amendments put to it and it was the votes on those amendments that were to be taken now. I make the point that those votes were called for before five o'clock. We are now in private members' hour, and I do not think it would be proper to take votes on motions 2 and 3 in the private members' hour.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Unless, of course, there is unanimous consent.

Mr. Speaker: Order, please. I do not want to use any more time than is necessary, but the rule leaves it open to either interpretation. I might refer to the rule specifically. Standing Order 75(11) provides:

> When a recorded division has been demanded on any amendment proposed during the report stage of a bill, Mr. Speaker may defer the calling in of the members for the purpose of recording the "yeas" and "nays" until any or all subsequent amendments proposed to that bill have been considered. A recorded division or divisions may be so deferred from sitting to sitting.

So it is obvious that we can proceed with this division, having deferred discussion on some or all of the amendments. Simply for the purpose of neatness, it seems to me that at this point, since we have called in the members, we should now dispose of everything that is outstanding.

Some hon. Members: Hear, hear!

Mr. Speaker: I recognize the point made by the hon. member that we return to private members' hour immediately upon conclusion of the taking of the divisions.

The House divided on motion No. 2 (Mr. Saltsman) which was negatived on the following division:

(Division No. 34)

YEAS

Messrs.

Benjamin
Cossitt
Darling
Douglas
(Nanaimo-Cowichan-The Islands)
Hnatyshyn
Hogan
Howie
Jones
Knowles
(Winnipeg North Centre)
O'Sullivan
Peters
Rodriguez
Saltsman
Symes
Towers—15.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allard
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Beatty
Béchard
Bégin (Miss)
Blackburn
Blais
Blaker
Boulanger
Breau
Brisco
Bussières
Cafik
Campbell (Miss)
(South Western Nova)
Caouette
(Villeneuve)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Danson
Daudlin
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Epp
Ethier
Fairweather
Faulkner
Flynn
Forrestall
Fortin
Fox
Francis
Fraser
Friesen
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Herbert
Holmes
Holt (Mrs.)
Hopkins
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Muir
Murta
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Patterson
Pelletier
(Hochelaga)
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Reid
Reynolds
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Rynard
Sauvé (Mrs.)
Schumacher
Scott
Sharp
Smith
(Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Trudel
Wagner
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk—171.

● (1720)

Mr. Speaker: I declare the motion lost. The question is now on motion No. 3.

The House divided on motion No. 3 (Mr. Darling) which was negatived on the following division:

(Division No. 35)

YEAS

Messrs.

Benjamin
Cossitt
Darling
Douglas
(Nanaimo-Cowichan-The Islands)
Hnatyshyn
Hogan
Howie
Jones
Knowles
(Winnipeg North Centre)
O'Sullivan
Peters
Rodriguez
Saltsman
Symes
Towers—15.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allard
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Beatty
Béchard
Bégin (Miss)
Blackburn
Blais
Blaker
Boulanger
Breau
Brisco
Bussières
Cafik
Campbell (Miss)
(South Western Nova)
Caouette
(Villeneuve)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont

Messrs.

Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Danson
Daudlin
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Epp
Ethier
Fairweather
Faulkner
Flynn
Forrestall
Fortin
Foster
Fox
Francis
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Herbert
Holmes
Holt (Mrs.)
Hopkins
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Muir
Murta
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Patterson
Pelletier
(Hochelaga)
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Reid
Reynolds
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Rynard
Sauvé (Mrs.)
Schumacher
Scott
Sharp
Smith
(Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Trudel
Wagner
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk—171.

● (1730)

Mr. Speaker: I declare the motion lost. The question is on the amendment to motion No. 4.

The House divided on the amendment to motion No. 4 (Mr. Knowles, Winnipeg-North Centre) which was negatived on the following division:

[Mr. Speaker.]

(Division No. 36)

YEAS

Messrs.

Benjamin
Cossitt
Darling
Douglas
(Nanaimo-Cowichan-
The Islands)
Hnatyshyn
Hogan
Howie
Jones
Knowles
(Winnipeg
North Centre)
O'Sullivan
Peters
Philbrook
Rodriguez
Rynard
Saltsman
Stanbury
Symes
Towers—18.

NAYS

Messrs.

Abbott
Alexander
Allard
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Beatty
Bégin (Miss)
Blackburn
Blais
Blaker
Boulanger
Breau
Brisco
Bussières
Cafik
Campbell (Miss)
(South Western Nova)
Caouette
(Villeneuve)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Danson
Daudlin
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Flynn
Forrestall
Fortin
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Herbert
Holmes
Holt (Mrs.)
Hopkins
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall

Messrs.

Martin
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Muir
Murta
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Patterson
Pelletier
(Hochelaga)
Penner
Pinard
Portelance
Poulin
Prud'homme
Reid
Reynolds
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Schumacher
Sharp
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Trudel
Wagner
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk—167.

And the Clerk proceeding to announce the result of the vote:

Mr. Speaker: Order, please. The vote of the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) was not counted. I understand that he stood in error. Perhaps it would be best if he refrained from voting on the other side of the question.

I declare the amendment lost. The question is on the amendment to motion No. 4.

The House divided on amendment to motion No. 4 (Mr. Stanbury) which was negatived on the following division:

(*Division No. 37*)

YEAS

Messrs.

Benjamin
Caccia
Cossitt
Darling
Douglas
(Nanaimo-Cowichan-The Islands)
Hnatyshyn
Hogan
Howie
Jones
Knowles
(Winnipeg North Centre)
O'Sullivan
Peters
Philbrook
Rodriguez
Saltsman
Stanbury
Symes
Towers—18.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allard
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Beatty
Béchard
Bégin (Miss)
Blackburn
Blais
Blaker
Boulanger
Breau
Brisco
Bussières
Cafik
Campbell (Miss)
(South Western Nova)
Caouette
(Villeneuve)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Danson
Daudlin
Dinsdale
Dionne
(Kamouraska)
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Flynn
Forrestall
Fortin
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Herbert
Holmes
Holt (Mrs.)
Hopkins
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Muir
Murta
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Patterson
Pelletier
(Hochelaga)
Penner
Pinard
Portelance
Poulin
Prud'homme
Reid
Reynolds
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Schumacher
Scott
Sharp
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Trudel
Wagner
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk—170.

● (1740)

Mr. Speaker: I declare the amendment lost. Presumably when the House resumes consideration of regular business at eight o'clock it will be on consideration of motion No. 4 standing in the name of the President of the Privy Council (Mr. Sharp).

Sir John A. Macdonald Day

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Okanagan Boundary (Mr. Whittaker)—Finance—Request for increase in employment in agriculture exemption; the hon. member for Fort William (Mr. McRae)—Environmental Affairs—Asbestos fibre count of water in Great Lakes—Request that International Joint Commission conduct independent study; the hon. member for Lethbridge (Mr. Hurlburt)—National Defence—Agriculture—Request government not make change in grades of beef purchased for armed forces.

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

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on a point of order, I think there might be agreement to take Bill C-240 standing in the name of the hon. member for Hillsborough (Mr. Macquarrie).

Mr. Speaker: Is it agreed, and is it in order, that the House shall move, without prejudice to the standing of other bills, at this hour directly to the consideration of Bill C-240 standing in the name of the hon. member for Hillsborough (Mr. Macquarrie)?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

SIR JOHN A. MACDONALD DAY

MEASURE TO ESTABLISH AS LEGAL HOLIDAY

Mr. Heath Macquarrie (Hillsborough) moved that Bill C-240, respecting Sir John A. Macdonald Day, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I regret that we have lost some time for private members' hour, but I could say that it was for a good cause.

Some hon. Members: Hear, hear!

Mr. Macquarrie: For many years I have been endeavouring to direct the attention of this House to the great need in this country for sharpening the awareness of Canadian people and parliamentarians of the great men and great moments in our historic past. I have had some losses and gained some victories.

The beautiful house of Sir Robert Borden was destroyed, we still do not possess the historic home of Sir John A. Macdonald, and I have just heard from the hon. member for Egmont (Mr. MacDonald) that the fine residence of the great and distinguished former prime minister, the Right Hon. Louis St. Laurent, is now for sale. I wonder when we will ever learn to stop despoiling historic sites and begin to appreciate some of the great men of our past.

Mr. Dinsdale: Where's Heritage Canada?

Mr. Macquarrie: As a great admirer of Sir John A. Macdonald I agree with him on the importance of compromise, and while I have tried for 12 years to have a Sir John A. Macdonald holiday brought about and never quite succeeded, if I understand the intent of the Standing Committee on Justice and Legal Affairs, one of the days listed as Heritage Day will be designated Sir John A. Macdonald Day, and that will be a great satisfaction. I think if Sir John A. were here he would say that you gather in what you can and make the most of it. So I am satisfied with that, and I pay tribute to the men and women in the committee who worked so well.

I also want to pay tribute to those who, through several parliaments, have tried to develop a better and richer appreciation of our history. The work of the hon. member for Cochrane (Mr. Stewart), who was the first to introduce a private members' bill to have the likenesses of our prime ministers appear on paper money, has now been realized. Sir Wilfrid Laurier appears on $5 bills and Sir John A. Macdonald on $10 bills. I am told by those who have them that Mackenzie King appears on the $50, and the $100 bills will soon see the likeness of Sir Robert Borden. Some day I may be able to see one of those as well.

● (1750)

It is my hope that the spirit of co-operation will carry through, that this idea will be enforced, and that I will have the privilege of seeing a further spirit of compromise and ask, after all those who wish to speak have spoken, that this bill be withdrawn and the sentiment find its expression in Heritage Day.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I must congratulate my good friend, the hon. member for Hillsborough (Mr. Macquarrie), and thank him for his courtesy in mentioning that it was a private member's bill of mine that suggested putting the likeness of former prime ministers on our currency. I am glad that has come about.

The hon. member is to be congratulated for continually bringing forth this matter of having a day to honour our first prime minister. Although it is a little disappointing for him that the committee did not decide to have a Sir John A. Macdonald Day every year, I am glad that he is at least partially satisfied that Heritage Day will honour Sir John A. on at least one occasion, and perhaps on other occasions in the future. It is good to have things Canadian, and it is good to honour our past. Suggestions, such as the one made by the hon. member for Hillsborough, make us appreciate our past, and help us with respect to the feeling for citizenship in Canada.

There are many other things that we can honour. Although the hon. member would undoubtedly have liked

to have a specific day every year for Sir John A. Macdonald Day, this gives us an opportunity through Heritage Day to honour many people and things in Canadian history. I understand that in one year Heritage Day will honour the Canadian flag, which is something that should be close to the hearts of all Canadians.

This desire that many of us have to honour things Canadian calls to mind another matter which is coming before this House very soon concerning the oath of allegiance to Canada. This matter has come up in the Standing Committee on Broadcasting, Films and Assistance to the Arts a number of times concerning matters of citizenship. We have asked for an oath of allegiance that would include our great country in the words, and that other things we hold dear be included as well. This has not been forthcoming, however. As a matter of fact the departmental officials concerned with this matter in the last seven years have chosen to ignore the wishes of many of us in this House, and the wishes of the committee, which specifically asked for an oath that would do more for Canadians and Canada.

Of course, we will be able to discuss this again in committee but I think it well to bring to the attention of hon. members that, unless we are on top of it, it will go through again in exactly the same form as before. The oath of allegiance makes absolutely no mention of our country, our flag, our constitution, the Bill of Rights, or anything that is strictly Canadian. I think it is high time we did something about that, Mr. Speaker.

In conclusion I should like to congratulate the hon. member for Hillsborough. I would suggest that his offer to withdraw his bill in favour of the Heritage Day bill should be accepted by the House before we call it six o'clock.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in 30 seconds, and I mean every word of it, I congratulate the hon. member for having brought in this bill. Certainly he did not get it in the way he put it in, but I commend him for accepting the compromise so that in some way we will be honouring Sir John A. Macdonald and, not just by the 12 minutes we are giving him now.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I will not be speaking right through until six o'clock. I was asked if I would care to participate in this debate when we expected it to last considerably longer. I accepted with alacrity for two reasons, one being that Sir John A. Macdonald was born on January 11, 1815, and I was born on January 11, some time later. We share a common birthday, but I must say to the hon. member for Hillsborough (Mr. Macquarrie) that January 11 is a pretty poor day to have a birthday. It comes after Christmas when the gifts are all gone, it is one of the coldest days of the year, and this has kept us from celebrating Sir John A.'s birthday in fitting style.

During one low period in his life when he was defeated in Kingston, Ontario, thus blotting what was an otherwise unblemished escutcheon in that era, he came to the constituency which I represent, and in 1878 won a landslide victory with a majority of 358 votes. It is probably the only riding he represented where you can celebrate his birthday in decent weather.

I had a long speech prepared, Mr. Speaker, but the exigencies of time have caught up with me. I should like to commend the hon. member for Hillsborough, given the date he was given for Sir John A.'s birthday, for doing the best he could with it, and now bowing to reason. I am pleased that Sir John A.'s birthday will be remembered as part of Heritage Day.

Mr. Heath Macquarrie (Hillsborough) moved:

That the bill be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs.

Motion agreed to.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES

The House resumed consideration of Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, as reported (with amendments) from the Standing Committee on Miscellaneous Estimates and as reprinted in accordance with Mr. Speaker's decision of Wednesday, April 23, 1975.

The Acting Speaker (Mrs. Morin): Order, please. The House is considering motion No. 4.

Mr. Leonard C. Jones (Moncton): Madam Speaker, let me make it clear at the outset that I honestly and sincerely felt ever since the introduction of Bill C-44 that I could not support it in any form. I have taken time to study the bill and the amendments as objectively as possible. I am sure all members of the House are fully aware of the economic conditions we face in this country. If members are not aware, it is darned well time they found out about unemployment and how it is affecting some parts of the country, particularly the region from which I come.

Day by day the evidence becomes clearer. Last fall the government indicated that among its goals, was, inter alia, that of government restraint in spending. I suggest strongly that this restraint should apply to members of parliament as well as to members of the public generally. Members of parliament should set an example by restraint. The

history of this bill, its introduction, and the manner in which it has been proceeded with through its various stages, reminds one of a tiger. Well, we still have that tiger by the tail. Maybe parliamentarians deserve a salary increase—maybe. But I suggest to you that from the beginning, the wrong road was followed, the wrong path taken. An independent body should have been set up long ago to consider salaries and allowances to which parliamentarians ought to be entitled.

The odd thing about this bill is that possibly parliament has spent more time considering this matter in the present session, since September 30 last, than it has spent considering most other important pieces of legislation which come before the House.

Mr. Sharp: That is not so.

Mr. Jones: Where are our priorities? I detect just a bit of selfishness on the part of parliamentarians—just a bit. I don't like it, and citizens generally do not like it.

Furthermore, parliamentarians should realize—I suppose they all know this now—that if this bill becomes law they will move into a higher tax bracket, and a good portion of that so-called increase will be retained by the government, or returned to treasury coffers, to be spent and wasted by the government in some other form. That rule applies to members just as it applies to ordinary taxpayers and wage earners.

Being a member from the Atlantic provinces I find it difficult to understand why the government adopts a policy of regional disparity in its payment of wages for federal government employees across this country but does not adopt that policy with members. The government has presented a bill providing for increased salaries and allowances; the bill practises regional disparity in reverse. Actually, earlier today a maritime member asked a question on this same point.

An hon. Member: That was the hon. member for Cape Breton-East Richmond (Mr. Hogan).

Mr. Jones: I am told the hon. member for Cape Breton-East Richmond asked the question. In all good conscience I cannot support a pay increase in any way. I look at the attitude adopted—

An hon. Member: Don't take it.

Mr. Jones: Stand up when your turn comes, sir. I might inform the hon. member that my income tax is greater than the salary I am paid in this place.

An hon. Member: But you are an Independent.

Mr. Jones: If the hon. member wants my job and wants to run as an Independent, he is welcome.

The evidence is clear. In a democracy it is incumbent on a government to consider others. Consider, for example, the attitude toward those on fixed incomes. I am talking about people like CNR employees in the Atlantic region and other regions of Canada, and other pensioners. They, generally, are also looking for benefits. I must be guided by the collective majority conscience of the constituents of Moncton. They do not favour a pay increase for parliamentarians at this time. I suggest that all members of parliament should, in all conscience, be guided in the same manner.

Members were elected to this House on July 8 last. At that time, or even before then, they ought to have known what the salary, allowances, and other benefits would be. This bill has created, yes, and increased cynicism and distrust. There is increasing disrespect on the part of the public and the citizenry for parliament. I think this House would be well advised to give this bill a complete hoist. Let us establish an independent body now to consider this matter, and let us get on with the important business facing this country. Let us set an example with our restraint, and show a sense of stability at this time.

The Acting Speaker (Mrs. Morin): Is the House ready for the question? The question is on motion No. 4. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The House will now consider together motion No. 5, standing in the name of the hon. member for Winnipeg North Centre (Mr. Knowles), and motion No. 6, standing in the name of the hon. member for Oshawa-Whitby (Mr. Broadbent). First we will take motion No. 5.

Mr. Knowles (Winnipeg North Centre), seconded by Mr. Peters moves:

That Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be amended in sub-clause (1) of Clause 4(*a*) by deleting from lines 45 and 46 on page 4 the words "five thousand three hundred dollars" and by substituting therefor the words "two thousand dollars"; and (*b*) by deleting from lines 14 and 15 on page 5 the words "ten thousand six hundred dollars" and by substituting therefor the words "eight thousand dollars".

Next I will put motion No. 6.

Mr. Broadbent, seconded by Mr. Knowles (Winnipeg North Centre) moves:

That Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be amended by deleting sub-clause (1) from Clause 4 being lines 41 to 48 at page 4 and lines 1 to 18 at page 5 of the Bill.

● (2010)

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, these two motions, Nos. 5 and 6, are being debated at one time as directed by the Chair. Both relate to the question of the tax free expense allowances provided to members of the Senate and the House of Commons.

As we have indicated many times, whatever argument there might be for an increase in the indemnities of members of parliament, we see no case whatsoever for an increase at this time in the expense allowances of the members of either of the two Houses. When arguments are made for an increase in what is called our salary, it is put forward that there have been increases in the cost of living for members of parliament as there have been increases in the cost of living for others. It is on that basis that that case is made. I do not agree with it, as I hope I have made very clear, and most of us in this party feel very strongly that whatever arguments might be made with respect to the indemnity, those arguments do not apply to our tax free expense allowance.

My leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), and others in this party have pointed out that since the expense allowance was last fixed at its present amount, which is $8,000 for members of this House and $4,000 for members of the other place, a great many things have been added to the list of those things that enable members of parliament to do their work, and which are paid for out of the public treasury. I wish to remind hon. members of a few of those things.

It used to be that the amount of printing we could get done free of charge was very little. The hon. member for Timiskaming (Mr. Peters) pointed out this afternoon in another debate that there was a time when there were a number of mimeograph machines in various corridors in this building. Members joined together to purchase those machines to do some of the printing they wanted in order to send material to their constituents. The quantities of printing we can now get done free are voluminous.

The provisions regarding free mailing have been enlarged so that we are entitled to send to our constituents, free of charge, four household mailings a year. This means four times a year every member of this House can get a piece of printing done free, in the thousands, and the nature of that printing seems to be getting more and more elaborate as time goes on, and have it sent to the entire constituency free of charge.

Our telephone facilities have been increased. I am not complaining about these things, I am just pointing out that these are things that are now being paid for that were not paid for when the expense allowance was fixed at $8,000 a year. We can telephone to almost anywhere in Canada; anywhere there is a seven digit telephone number. We also have certain facilities for telephoning to Ottawa when we are in our constituencies or in a number of other cities in this country.

Our travel arrangements have been greatly enlarged. If members opposite think that by chatting and cat-calling they are deterring me, I assure them they do the opposite. They encourage me to keep going. I was talking about the increase in travel. I hear members complaining about there not being enough in some cases. I remind hon. members that when I first came to this place we had railway passes that entitled us to travel on any railway train in Canada, anywhere at any time. However, we had to pay our other expenses such as berth and meals on all trips that we took, except for two round trips a year. That was the situation. We got our berth and meals twice a year from the constituency to Ottawa.

An hon. member says we were not here all the time. Others say that as a result of that we were here all the time. Members should make up their minds. I am not complaining about progress. However, I suggest that members who have had so many improvements in their travel arrangements that now we can have 52 air tickets a year, either to use between Ottawa and the constituency, or to use ten of those for trips anywhere in Canada, or six of those trips for one's spouse—

An hon. Member: What if you have two spouses?

Mr. Knowles (Winnipeg North Centre): There are no provisions for two spouses, and not for 52 spouses either. The hon. members can carry on with interruptions. However, the point I am making is that there have been these tremendous improvements in the facilities that are made available to members and that are paid for out of the public treasury.

There are improved facilities in our offices. There was a time when in most cases two members shared one secretary. After a while it was one secretary per member. Now there are two per member, and in many cases there are three.

There has recently been added the provision for up to $6,000 for rental space for a constituency office, and money toward the salary for a person working in that office. These things are all good. They enable members to do their job better than used to be the case. I submit that because we have these more frequent contacts and these means of communication, we are able to do a better job than was done 20, 30 or 40 years ago. I suggest it also means we work a lot harder. I do not need to argue that point in this place. Everybody agrees we work hard. However, these things having been provided for us out of the public treasury, we do not feel that at this time we should be increasing the tax free expense allowance which in effect is part of our income.

I also make the point that in the public eye the idea of tax freedom for an amount of money for which we do not have to submit vouchers or make an accounting, is a form of discrimination in our favour and against the general public.

I remember when this tax free allowance idea was first brought in by that master craftsman, the Right Hon. W. L. Mackenzie King, back in 1945. At that time the total income of members of parliament was $4,000 a session. There was pressure on Mr. King and the cabinet of that day by the backbenchers for an increase. One can understand that. It goes on all the time. The increase that was sought was rather substantial. Mr. King did not like the idea of meeting the demand for a substantial increase so he came up with a clever notion that if the increase were only $2,000 instead of a larger sum, but were made tax free, it would mean more to the members than if it were a larger sum and would have the advantage of sounding less offensive to the public.

● (2020)

Originally this tax free allowance was proposed for members of the House of Commons only, but there was a hue and cry in the other place about it and Their Honours let it be known that they would not pass the bill if it

contained provision for a $2,000 allowance for members of this House and nothing at all for those in the other place. Mr. King's solution was to redraft the bill so that it provided $2,000 for members of the House of Commons tax free, and a $2,000 expense allowance for Senators and for cabinet ministers, this amount to be taxable in their case. It solved the problem for the moment. It got the bill through both Houses. It secured what then seemed to be a substantial total increase for members of parliament. But it was one of those clever solutions to a problem of the moment which has left us bedevilled ever since with this concept of a tax free, unaccountable allowance to members of parliament.

The only time this was ever considered thoroughly was during the sittings of the Beaupré Commission and, as the hon. member for York-Scarborough (Mr. Stanbury) said this afternoon, that commission said in its report that the time had come to get away from the tax free allowance idea. Of course the higher the amount goes the more difficult it is to get rid of it because, if it is to be replaced by an indemnity which would be worth as much, it would mean adding a larger and larger indemnity. I submit that the hon. member for York-Scarborough was right, and that the Beaupré Commission was right, and that some day the clever idea which Mr. King adopted in order to solve the problem of 1945 should be corrected. At least we should not make the situation any worse.

Some of us think the tax free element should be removed, even if in order to do so it is necessary to increase the indemnity. But if this course is not to be followed, the least we should do is leave the allowance where it is. That is the position that is taken by most, if not all, members of this party, and these two motions, Nos. 5 and 6, deal with this aspect of the matter.

When we were considering motions Nos. 2, 3 and 4 this afternoon the hon. member for Waterloo-Cambridge (Mr. Saltsman) quite properly commented on the tax free allowance aspect because in motion 4 there is a provision which refers to the tax free allowance and says it is to be escalated by the same 7 per cent as the indemnity We are now at the substantial part of the bill as far as the tax free allowance is concerned—the clause which provides for the allowance. At the moment it is $8,000 a year for members of this House and $4,000 a year for members of the other place. We think it ought to stay where it is, that there should be no increase at all. That would be the effect of motion No. 6 standing in the name of the hon. member for Oshawa-Whitby. That motion, if carried, would rule out any increase in the tax free allowance and leave things exactly where they are now.

The reason we have put down two motions, No. 6 in the name of the hon. member for Oshawa-Whitby, and No. 5 in my own name, is to give members two choices. If they do not like the idea of leaving the allowances exactly as they are, or if, on the other hand, they want to have something to say about the position of the senators, or if they want to have something to say about the justifiable claim of those who represent northern constituencies, my motion gives them a chance to express their views.

My motion differs slightly from that of the hon. member for Oshawa-Whitby in that it would leave the $8,000 expense allowance for members of parliament generally right where it is; it would accept the increase in the expense allowance provided in the bill for those who represent the northern constituencies—the Northwest Territories, the Yukon and a number of others; I doubt whether anyone would argue that the members concerned are not entitled to an increase. That is the second thing my motion does.

The other thing my motion does is to alter the amount of the allowance to be paid to members of the other place. There is a notion around that I do not approve of the Senate.

Mr. Benjamin: Who said that?

Mr. Sharp: Shame!

Mr. Knowles (Winnipeg North Centre): I hear a question about that coming from the Tory benches, but what is my friend doing over there? I accept the charge. I think parliament would be far better off without the other place. I contend that the Senate ought to be abolished.

Mr. Peters: It would save some money.

Mr. Knowles (Winnipeg North Centre): My hon. friend from Timiskaming (Mr. Peters) says that would save some money. Yes, it would. And it would obviate a lot of other difficulties around here. Well, since I say the Senate should be abolished I suppose that when I move an amendment touching the incomes of the senators I could move to reduce them to one dollar. I believe I have some takers. I even went down the list of cabinet ministers who are getting $20,000 with the idea that I might pick out some of my favourite targets and move to reduce their salaries to one dollar. But it is now too late to do that; the amendments had to be in by last night.

Seriously, though, whatever comments we may wish to make or whatever fun we may have, there is no case whatever for increasing the total income of senators. At the moment they receive $18,000 by way of salary and $4,000 by way of expense allowance for a total of $22,000. Under the bill before us that $18,000 will become $24,000, and their expense allowances will go up to $5,300, making a total of $29,300. Can anyone in this House tell me there is any reason at all why senators who are now receiving a total of $22,000 should receive a raise, effective last July, which would bring them to $29,300? In my view they should not get one cent of a raise.

It was difficult to draft an amendment which would cut senators' salaries to a figure less than our own. However, on the clause we are now considering, under motion No. 6 we can cut the amount of their allowance, and that is what I am proposing to do. I am proposing that instead of their tax free allowance being raised from $4,000 to $5,300, it should be reduced to $2,000.

● (2030)

My friends over in the Senate will be impressed by my generosity. The result of this would be that they would get an increase. They are now getting $18,000 salary plus $4,000 allowances, for a total of $22,000. Under my proposal they will get $24,000 salary and $2,000 expense allowance, for a total of $26,000. All I really have to say about that is that it is too much, but at least I am not suggesting

something so far out, outlandish and penurious that I could not expect any support for it. I have arrived at this figure on a responsible basis. I swallow my notion that they should not get anything at all; I am prepared to give them that much of an increase, so that they will receive $24,000 salary and a $2,000 expense allowance. But $24,000 salary and a $5,300 expense allowance is just unthinkable.

Let us remember, Madam Speaker, that a great number of Their Honours in the other place have other incomes. The number of presidents, vice-presidents, and directors of corporations in the other place is rather lengthy. They have incomes of other kinds, and the kind of money that really means something to them is money that is tax free. The salaries they receive in many cases result in their having to pay quite a bit in income tax; the money that they like is the tax free allowance, and I think it is at that point that we should make this difference. That is the intent of my motion.

We should now start moving in the other direction, looking toward the elimination of the tax free expense allowance. In our own case we could leave it where it is at $8,000, with the thought that perhaps another Beaupré will come along and recommend to us that we reduce it next time; and we should start the reduction process right now as far as Their Honours in the other place are concerned and put the expense allowance back to the $2,000 figure, which is what it was when it was first introduced in 1945 under the direction of the Right Hon. William Lyon Mackenzie King.

We are terribly aware of what goes on and of what does not go on in the other place. This is not the occasion to debate the question of abolishing the Senate, but I think it is worth noting, as some writers have pointed out, that it is largely the centre of Liberal party organizational activity. It seems to be a rule to have over there, with a salary and all that goes with it, the persons who head up the organization of the Liberal party. I think it is enough that they have offices, and staff, and the money they receive, without our giving them still more money. The Conservatives do not have sufficient members over there to set up any organizational activity, so they can be pure in this House on that issue, and I hope they will be. But, as I say, to provide at this time for increases in the total income of Their Honours in the other place is unthinkable.

If I had taken the position that I want an increase but I am not prepared to give one to them, then, of course, certain criticisms could be directed at me. But, as you know, Madam Speaker, I feel that this whole bill has been brought in at the wrong time. I do not just mean that it might be better to introduce it a month from now or to have introduced it six months ago; I mean that in these days of economic trouble in this country, a time when so many of our people are in need, it shows the most abject lack of leadership I have ever seen around this place for us to take this action of raising our own incomes beyond any limits that the Minister of Finance (Mr. Turner) can possibly have in mind when he brings down his budget at the end of May.

I regard this whole bill as offensive. I regard the whole bill as something to which the members of this House should have what it takes to say no. But if hon. members have not reached that point yet, we should at least say no to any increase in our expense allowance, and we should say an absolute no to any increase at all in the expense allowance of Their Honours in the other place. Instead we should say it is time for their expense allowance to be reduced, and this is what my motion does. It lets members for northern ridings get the increase set out in the bill; it provides that our allowances generally stay at $8,000; and it provides that allowances for the Senators be reduced to $2,000 a year.

If members are not prepared to go for this adjustment set out in my motion, then I hope they will go for the proposal set out in the motion of the hon. member for Oshawa-Whitby, namely, that there be no changes whatsoever at this time in the amount of these expense allowances.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

Is the House ready for the question on motion No. 6?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be amended by deleting clause 7 at page 7 and substituting the following therefor:

"7. This Act shall come into force on July 1, 1975."

He said: Madam Speaker—

The Acting Speaker (Mrs. Morin): Order, please. I am to put motion No. 8 also.

● (2040)

Mr. Stan Darling (Parry Sound-Muskoka) moved:

That Bill C-44, An Act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be amended by deleting Clause 7 at page 7 and substituting the following therefor:

"7. This Act shall be deemed to have come into force on the 1st day of January, 1975."

Mr. Knowles (Winnipeg North Centre): Madam Speaker, although my motion comes ahead of the one moved by the hon. member for Parry Sound-Muskoka (Mr. Darling), perhaps he might be permitted to speak first and I would be happy to follow.

Mr. Darling: Madam Speaker, I hope this evening in respect of motion No. 8 standing in my name, on which I had some difficulty in getting a seconder, hon. members will give serious thought. I have put forward various ideas and have spoken on a number of occasions, both in the committee and here, about this proposed increase. It would certainly seem that hon. members will receive an increase of 33⅓ per cent when this bill receives third reading.

This bill in its present state will make this increase retroactive to July 8, 1974. This is something with which I take great exception. I have said that a pay raise is in order, but the idea of picking the pockets of the taxpayers retroactively for nine or ten months does not sit well with me. I have said this before. When I spoke in committee I said I would be perfectly agreeable to a pay increase that was effective when the bill received Royal Assent, but I expressed doubt that the House would go along with that.

In all fairness, and in all humility, members of parliament should at least say to themselves that they have the pay increase and the least they can do is make it effective on January 1 of this year rather than retroactively to July 8 of last year. This bill did not come in until December. There might be some rhyme or reason for making the effective date January 1 of this year, but if the bill is made retroactive for six months it will cost the taxpayers another $1,480,000 to be distributed among members of this House and the other place.

Some hon. Members: Hear, hear!

Mr. Darling: Some hon. members applaud, but to me this is absolutely unconscienable. If the bill makes the increase retroactive for the entire nine months, this will amount to an extra $2,600,000 in back pay for members of parliament. I can see a lot of them with their eyes lit up. I suppose they have most of it spent already.

I hope members will say that, now they are sure of a pay increase they should not be greedy, and make the increase effective only to January 1 of this year. I would go along with the hon. member for Winnipeg North Centre (Mr. Knowles) in making it effective on July 1, 1975. If his motion happens to carry, I would agree with it. If it does not carry I hope hon. members will seriously consider January 1 of this year as the effective date, leaving about $1,480,000 in the treasury to be spent for some needy purpose.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, as the hon. member for Parry Sound-Muskoka (Mr. Darling) has just pointed out, it is extremely hard to make a case for the size of the increase being voted.

An hon. Member: We hear again from Stanley.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, there does seem to be something in the name of Stanley. It is even more difficult to make a case for making that pay increase retroactive to July 8, 1974, the date of the last election. I hope even at this stage the House will re-think this question and support one or other of these proposals either that the effective date be January 1, 1975, or, in my view, preferably July 1, 1975.

The fact still remains that when we ran in the election campaign in May and June of last year we knew what the salary was going to be if we were elected on July 8. I think it is unconscienable on our part to try to make this increase retroactive to that date. The same thing applies to all other items in this bill including the salaries of cabinet ministers, the Speakers of both houses, the parliamentary secretaries, and all the rest who are covered by this bill.

The least this House should do on this occasion is make these changes effective either January 1 or July 1 of this year. If I may put in another plug for July 1 as preferable to January 1, let me remind the House again that in a few weeks the Minister of Finance (Mr. Turner) will be bringing down a budget, and indications are that the budget will relate to the problems of our time and the need for restraint. This House is going to look pretty ridiculous a month from now when talking about restraints that are more severe than we were prepared to exercise for ourselves.

Members of the House may think they will get away with this because it will be an accomplished fact, but the public will be terribly aware of what has happened. I suggest the Minister of Finance and other members of the cabinet will have real trouble in trying to get co-operation for any program of restraint in view of the complete failure to exercise any restraint so far as members of parliament are concerned.

I suppose we are just about at the end of the report stage. There does not seem to be many members around who want to speak to these motions. No one today has spoken for Bill C-44. I am surprised the President of the Privy Council (Mr. Sharp) has had nothing to say today. Motion No. 4 was his, and the guts of the bill are in that motion. He allowed it to be put in his name, and has not said a word.

I am surprised that the Leader of the Opposition (Mr. Stanfield) has been able to sit out this whole debate. He did not take part in the debate in December or in April. Is that leadership? The Prime Minister (Mr. Trudeau) has taken no part in this debate either. My heavens, leadership just does not exist on this particular issue. There is one more day, tomorrow or whenever, when the government

At the moment we are dealing with the question of when this increase is to come into effect. Hon. members seem to have decided by votes on other amendments that they want this massive increase, that they want this 7 per cent compounded annually until we get up into the stratosphere—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I hope, Madam Speaker, that *Hansard* has recorded the applause that members gave in that regard. Members are admitting without any shame, that they want this money. I hope they will yet have the decency to say they are prepared to wait, preferably until July 1 or, if not, that it should be effective January 1 of this year rather than last July 8. If they do not, then on third reading we will have to try again to get the matter put off for another six months.

I deplore the failure of members to debate this issue and to take it seriously. They think they can just sit and the money will fall into their laps. All I can say is that there is an old Spanish proverb I sometimes used years ago when I was in the pulpit. It goes like this: "Take what you want," said God; "take it and pay for it."

The Acting Speaker (Mrs. Morin): The question is on motion No. 7. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): Those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): Those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section 11 of Standing Order 75 the recorded division on the proposed motion stands deferred.

● (2050)

The Acting Speaker (Mrs. Morin): The question is on motion No. 8. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion, the nays have it.

And more than five members having risen:

Division

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

The House will now proceed to the taking of the deferred divisions. Call in the members.

And the members having been called in:

● (2110)

The House divided on motion No. 4 (Mr. Sharp) which was agreed to on the following division:

(*Division No. 38*)

YEAS

Messrs.

Abbott
Alexander
Alkenbrack
Allard
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Béchard
Bégin (Miss)
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Cafik
Campbell (Miss)
(South Western Nova)
Caouette
(Villeneuve)
Caron
Clarke
(Vancouver Quadra)
Clermont
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Danson
Daudlin
De Bané
Demers
Dinsdale
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Faulkner
Flynn
Forrestall
Fortin
Foster
Fox
Francis
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Grafftey
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hees
Herbert
Holmes
Holt (Mrs.)
Hopkins
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Matte
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKenzie
McKinley
McRae
Milne
Morin (Mrs.)
Muir
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Pearsall
Pinard
Portelance
Poulin
Reid
Reynolds
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)

Division

Messrs.

Roy (Laval)
Sauvé (Mrs.)
Schellenberger
Schumacher
Sharp
Smith (Saint-Jean)
Stanfield
Stevens
Stewart (Marquette)
Stewart (Cochrane)
Trudel
Turner (London East)
Wagner
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk—162.

NAYS

Messrs.

Benjamin
Cossitt
Darling
Douglas (Nanaimo-Cowichan-The Islands)
Hogan
Howie
Jones
Knowles (Winnipeg North Centre)
Peters
Rodriguez
Saltsman
Scott
Stanbury
Symes
Towers—15.

● (2120)

Mr. Speaker: I declare the motion carried.

Motion No. 4 (Mr. Sharp) agreed to.

Mr. Speaker: The question is on motion No. 5, in the name of the hon. member for Winnipeg North Centre (Mr. Knowles).

The House divided on motion No. 5 (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division.

(Division No. 39)

YEAS

Messrs.

Benjamin
Cossitt
Darling
Douglas (Nanaimo-Cowichan-The Islands)
Hogan
Howie
Jones
Knowles (Winnipeg North Centre)
Peters
Rodriguez
Saltsman
Symes
Towers—13.

[The Acting Speaker (Mrs. Morin).]

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allard
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Béchard
Bégin (Miss)
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Cafik
Campbell (Miss) (South Western Nova)
Caouette (Villeneuve)
Caron
Clarke (Vancouver Quadra)
Clermont
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Danson
Daudlin
De Bané
Demers
Dinsdale
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Faulkner
Flynn
Forrestall
Fortin
Foster
Fox
Francis
Fraser
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Grafftey
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Herbert
Holmes
Holt (Mrs.)
Hopkins
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Lachance
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Saint-Henri)
Lumley
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Martin
Matte
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Muir
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Pearsall
Pinard
Portelance
Poulin
Reid
Reynolds
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Sharp
Smith (Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Cochrane)
Trudel
Turner (London East)
Wagner
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk—165.

Mr. Speaker: I declare the motion lost.

Motion No. 5 (Mr. Knowles, Winnipeg North Centre) negatived.

Mr. Speaker: The question is on motion No. 6, in the name of the hon. member for Oshawa-Whitby (Mr. Broadbent).

The House divided on motion No. 6 (Mr. Broadbent), which was negatived on the following division.

(Division No. 40)

YEAS

Messrs.

Benjamin	Hogan	Peters
Cossitt	Howie	Rodriguez
Darling	Jones	Saltsman
Douglas (Nanaimo-Cowichan-The Islands)	Knowles (Winnipeg North Centre)	Stanbury
		Symes
		Towers—14.

NAYS

Messrs.

Abbott	Dupras	Lambert (Edmonton West)
Alexander	Duquet	Landers
Alkenbrack	Ellis	Lang
Allard	Epp	Langlois
Anderson	Ethier	Lapointe
Andras (Port Arthur)	Faulkner	Laprise
Andre (Calgary Centre)	Flynn	Lawrence
Andres (Lincoln)	Forrestall	Leblanc (Laurier)
Appolloni (Mrs.)	Fortin	Lee
Baker (Grenville-Carleton)	Foster	Lefebvre
Baldwin	Fox	Lessard
Béchard	Francis	Loiselle (Saint-Henri)
Bégin (Miss)	Fraser	Lumley
Blackburn	Gauthier (Roberval)	Macdonald (Rosedale)
Blais	Gauthier (Ottawa-Vanier)	MacEachen
Blaker	Gendron	MacFarlane
Blouin	Gilbert	MacGuigan
Boulanger	Gillespie	Mackasey
Breau	Goodale	MacKay
Bussières	Goyer	MacLean
Cafik	Grafftey	Macquarrie
Campbell (Miss) (South Western Nova)	Guay (St. Boniface)	Malone
Caouette (Villeneuve)	Guay (Lévis)	Marceau
Caron	Haidasz	Marchand (Langelier)
Clarke (Vancouver Quadra)	Hamilton (Qu'Appelle-Moose Mountain)	Marchand (Kamloops-Cariboo)
Clermont	Hamilton (Swift Current-Maple Creek)	Marshall
Comtois	Hees	Martin
Condon	Herbert	Matte
Corbin	Holmes	Mazankowski
Corriveau	Holt (Mrs.)	McCain
Côté	Hopkins	McCleave
Crouse	Hurlburt	McGrath
Cullen	Isabelle	McIsaac
Danson	Jamieson	McKenzie
Daudlin	Jarvis	McKinley
De Bané	Johnston	McKinnon
Demers	Joyal	McRae
Dinsdale	Kaplan	Milne
Dionne (Northumberland-Miramichi)	Kempling	Morin (Mrs.)
	Lachance	Muir
Douglas (Bruce-Grey)	Lajoie	Nicholson (Miss)
Duclos	Lalonde	Oberle
Dupont	Lambert (Bellechasse)	O'Connell
		Ouellet
		Paproski
		Parent
		Pearsall
		Pinard
		Portelance
		Poulin
		Reid
		Reynolds
		Ritchie
		Roberts
		Robinson
		Roche
		Rompkey
		Roy (Timmins)
		Roy (Laval)
		Sauvé (Mrs.)
		Schellenberger
		Schumacher
		Scott
		Sharp
		Smith (Saint-Jean)
		Stanfield
		Stevens
		Stewart (Marquette)
		Stewart (Cochrane)
		Trudel
		Turner (London East)
		Wagner
		Watson
		Wenman
		Whelan
		Wise
		Woolliams
		Yanakis
		Yewchuk—164.

● (2130)

Mr. Speaker: I declare the motion lost.

Motion No. 6 (Mr. Broadbent) negatived.

Mr. Speaker: The question is on motion No. 7, in the name of the hon. member for Winnipeg North Centre (Mr. Knowles).

The House divided on motion No. 7 (Mr. Knowles, Winnipeg North Centre), which was negatived on the following division:

(Division No. 41)

YEAS

Messrs.

Benjamin	Hogan	Peters
Cossitt	Jones	Saltsman
Darling	Knowles (Winnipeg North Centre)	Symes
Douglas (Nanaimo-Cowichan-The Islands)		Towers—11.

NAYS

Messrs.

Abbott	Boulanger	De Bané
Alexander	Breau	Demers
Alkenbrack	Bussières	Dinsdale
Allard	Cafik	Dionne (Northumberland-Miramichi)
Anderson	Campbell (Miss) (South Western Nova)	
Andras (Port Arthur)	Caouette (Villeneuve)	Douglas (Bruce-Grey)
Andre (Calgary Centre)	Caron	Duclos
Andres (Lincoln)	Clarke (Vancouver Quadra)	Dupont
Appolloni (Mrs.)	Clermont	Dupras
Baker (Grenville-Carleton)	Comtois	Duquet
Baldwin	Condon	Ellis
Béchard	Corbin	Epp
Bégin (Miss)	Corriveau	Ethier
Blackburn	Côté	Faulkner
Blais	Crouse	Flynn
Blaker	Cullen	Forrestall
Blouin	Danson	Fortin
	Daudlin	Foster
		Fox

Division

Messrs.

Francis
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Grafftey
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hees
Herbert
Holmes
Holt (Mrs.)
Hopkins
Howie
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Matte
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Muir
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Pearsall
Pinard
Portelance
Poulin
Reid
Reynolds
Ritchie
Roberts
Robinson
Roche
Rodriguez
Rompkey
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Sharp
Smith
(Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Trudel
Turner
(London East)
Wagner
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk—167.

● (2140)

Mr. Speaker: I declare the motion negatived

Motion No. 7 (Mr. Knowles, Winnipeg North Centre) negatived.

Mr. Speaker: The question is on Motion No. 8 in the name of the hon. member for Parry Sound-Muskoka (Mr. Darling).

The House divided on motion No. 8 (Mr. Darling) which was negatived on the following division:

[Mr. Speaker.]

(Division No. 42)

YEAS

Messrs.

Benjamin
Cossitt
Darling
Douglas
(Nanaimo-Cowichan-
The Islands)
Hogan
Howie
Jones
Knowles
(Winnipeg
North Centre)
Peters
Rodriguez
Saltsman
Symes
Towers—13.

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allard
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Grenville-Carleton)
Baldwin
Béchard
Bégin (Miss)
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Cafik
Campbell (Miss)
(South Western Nova)
Caouette
(Villeneuve)
Caron
Clarke
(Vancouver Quadra)
Clermont
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Danson
Daudlin
De Bané
Demers
Dinsdale
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Faulkner
Flynn
Forrestall
Fortin
Foster
Fox
Francis
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Grafftey
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hees
Herbert
Holmes
Holt (Mrs.)
Hopkins
Hurlburt
Isabelle
Jamieson
Jarvis
Johnston
Joyal
Kaplan
Kempling
Lachance
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
Lawrence
Leblanc
(Laurier)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Martin
Matte
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Morin (Mrs.)
Muir
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Pearsall
Pinard
Portelance
Poulin
Reid
Reynolds
Ritchie
Roberts
Robinson
Roche
Rompkey
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Sharp
Smith
(Saint-Jean)
Stanbury
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Trudel
Turner
(London East)
Wagner
Watson
Wenman
Whelan
Wise
Woolliams
Yanakis
Yewchuk—165.

Mr. Speaker: I declare the motion lost.

Motion No. 8 (Mr. Darling) negatived.

Hon. Mitchell Sharp (President of the Privy Council) moved:

That Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, as amended, be concurred in.

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

Mr. Knowles (Winnipeg North Centre): On division.

Motion agreed to on division.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now!

Mr. Knowles (Winnipeg North Centre): No!

Mr. Speaker: At the next sitting of the House, then. Shall I call it ten o'clock?

Some hon. Members: Agreed.

● (2150)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCE—REQUEST FOR INCREASE IN EMPLOYMENT IN AGRICULTURE EXEMPTION

Mr. G. H. Whittaker (Okanagan Boundary): Madam Speaker, I welcome this opportunity to speak to the question that I asked the Minister of Finance (Mr. Turner) the other day about the exemption of $250 and 25 days for farm workers. I welcome the opportunity because I should like to explain the situation further; I do not really believe too many understood the question that I was asking.

A farmer does not have to collect income tax from anyone who works for him who makes less than $250 or works less than 25 days. Nor does he have to make out a T-4 form for such worker. The reason I bring this matter to the House is that these regulations were made a few years ago, at a time when farm workers were paid between $10 and $15 a day. Today wages and piecework rates on the farm are much higher, and therefore I am requesting that this exemption be raised higher than the $250. I do not think 25 days makes that much difference because a worker on a farm can make $500 in 25 days quite easily now, especially if he is on piecework.

We realize that there can be abuses of any of these regulations and I do not really believe that anyone wants intentionally to abuse these regulations. Certainly the farm workers are upset about such a regulation. I say this because the worker comes to the farm, and when he gets close to earning $250 he wants to leave and go to another farm. What has happened, and what is happening, is that it is making these workers much more mobile. They are not staying long enough on a particular farm. In many instances, within five or six days they are coming close to $250 and they know there is a job down the road so why should they stay and have to pay income tax? In many instances the farmer is accommodating them, because why should he go through all this exercise of making out a T-4 form? So I am asking that this amount be raised to $600 and maybe the days to 30 days. I do not think the 25 days requirement is too critical.

I know from experience of this regulation, and because of the fact that some workers do not want to have to go through paying income tax, that when they do pay, when it is deducted at source, because their earnings are not that high they have to make out an income tax form, so they do things to make sure that they are not kept on. In some instances it could be picking apples; they know how to have themselves released by bruising or doing other things with the apples that are not really the way they should be handled.

We also realize that there is a shortage of seasonal farm workers today. We know that many people on welfare can and should be working at these seasonal jobs, but why should they go off welfare and go out and spend 25 days, or 20 days working and then have income tax deducted? They are not going to make enough wages or money during the year to have to pay income tax at any rate.

The same thing applies to UIC. We know that the people in the unemployment insurance offices are reluctant to say to a man who is on unemployment insurance, "You must stop getting unemployment insurance, go and work on the farm or do seasonal work, but when you come back the regulations say you cannot go back on again, you have to get enough days".

The whole thing is very confusing and it leads to not giving us a big enough work force for seasonal types of work. We should take way as many roadblocks as we can to get these workers on to the farms. We hear quite a lot

today about production of food, so this is the reason why I should like to ask the Minister of Finance to consider raising this exemption to at least $600 and probably to 30 days.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Madam Speaker, I am advised by the Department of National Revenue that this matter has been raised frequently over the past years, but usually in reference to the Canada Pension Plan and Unemployment Insurance Acts, both of which contain provisions exempting workers in the primary industries from coverage provided they earn less than $250 and work for less than 25 days with one employer.

However, what is being recommended tonight, in my view, would be most discriminatory in that it would be difficult to provide a certain segment of farm employees with an exemption of $600 for purposes of reporting on T-4 returns and at the same time to justify such exemption to employers of casual workers in other industries where deductions for CPP and unemployment insurance are required from their salaries or wages without exemptions of any kind.

Furthermore, the present policy for income tax purposes requires a reporting on T-4 returns of all amounts in excess of $250, or if tax, CPP or unemployment insurance is deducted, any amount paid as income from employment. Changing the reporting limits to the level suggested by the hon. member would result in a very substantial tax loss when applied to all workers. It is submitted that the limits would have to apply to all employees if the government is to avoid being accused of discrimination in applying the tax laws.

I made reference at the beginning to the fact that this advice came to me from the Department of National Revenue. Of course any representations made by the hon. member will be considered by the minister.

ENVIRONMENTAL AFFAIRS—ASBESTOS FIBRE COUNT OF WATER IN GREAT LAKES—REQUEST THAT INTERNATIONAL JOINT COMMISSION CONDUCT INDEPENDENT STUDY

Mr. Paul E. McRae (Fort William): Madam Speaker, I rise to discuss a question which I asked the acting minister of external affairs last week regarding the IJC and my hope that it will investigate more thoroughly the whole business of asbestos fibres in Lake Superior, particularly in the area of Thunder Bay.

● (2200)

There have been three distinct results concerning the number of fibres in Thunder Bay harbour and in the drinking water of South Ward, Thunder Bay. The Ontario Water Resources Commission recently did a test which showed .08 or 800,000 particles of asbestos fibres per litre; the Lakehead University did a similar test which showed 12 million to 15 million fibres per litre, about five times as great; and McMaster University did similar tests with results comparable to those produced by Lakehead University.

In 1973 the same Ontario Water Resources Commission had results of .08 or 800,000 particles per litre. Research in 1973 gave four sets of results which varied from .06 or 600,000 particles to 12 million particles per litre.

It is very important healthwise that we find out what the correct readings are because there is a great variation between the lowest reading of .06 or 600,000, to 12 million particles per litre, and this variation is very pertinent from a health point of view.

Concentrations of about 7 million or 8 million particles per litre are likely to be very injurious, and I think it is important that we obtain accurate results through the IJC, or the CCIW; that is, the Canadian Centre for Inland Water Studies.

Most of the testing done by the Ontario Water Resources Commission was conducted by the Ontario Research Council, a body funded both by private industry, including Public Steel, which owns the taconite plant which is dumping some tailings which contain asbestos into Lake Superior, and funded or supported by the Ontario government.

There are two types of asbestos fibres Amphilab and Chrisotile. Apparently the amphilab fibres are similar to those from taconite at Silver Harbour where asbestos is being dumped into Lake Superior. The amphilab type appears to be particularly dangerous. According to Lakehead University and McMaster University the results they are getting at Thunder Bay at this particular time are similar to the results which are being found at Duluth, and the city of Duluth has warned its householders not to drink the water.

There is strong evidence that asbestos fibre counts of the order that are appearing, according to Lakehead University and McMaster, can have very serious results including carcinogenic or cancerous effects. It is thought in Japan, for instance, that the high rate of stomach cancer may be due to the heavy ingestion of rice containing talc, which in turn contains asbestos.

I would ask the government to undertake three or four things. First it should carry out a real study to find out exactly what the situation is, and to find out what the fibre counts actually are. Asbestos fibre counts can vary depending on weather conditions, winds, tides and so on. I think we have to establish norms, and we have not done so to the extent that they have done this in the United States in their studies.

I have also asked the Canadian government, and do so again, to accept a certain responsibility because of our position in respect of inland lakes and the Great Lakes, and also because there is strong evidence that these fibres may be coming into the water from the taconite plant at Silver Harbour on the United States side. I would also ask the Canadian government to make a concerted effort, through the National Research Council, and I understand the IJC has done the same, to determine the possible effects, and to set out tolerable amounts of asbestos fibres in our waters.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. gentleman, but the time allotted to him has expired.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Madam Speaker, first of all I

want to thank the hon. member for Fort William (Mr. McRae) for raising this important subject this evening. I can certainly understand his concern in view of the alarming reports that have appeared recently.

Officials of the Department of the Environment have been monitoring this situation carefully. The Canada Centre for Inland Waters has carried out water sampling and analyses in the Thunder Bay area specifically, and the Lake Superior area generally, in order to evaluate the possibility of trans-boundary movement of asbestos fibres in Lake Superior.

It has been found that the north shore of the western arm of the lake showed concentrated amounts of cummingtonite fibres associated with the mining operation at Silver Bay, Minnesota. However, at Thunder Bay, Ontario, no cummingtonite fibres were monitored. Chrysotile fibres, however, were found and these are normally associated with the natural processes involved in the weathering of rocks in the area. As well, the general circulation of the water in Lake Superior is a counter-clockwise action, tending to carry any material from the Silver Bay mining operation towards Duluth, Minnesota, and the south side of the lake, rather than towards Thunder Bay on the Ontario side.

The variation of sample analyses mentioned by the hon. member is quite possible because the behaviour of suspensions of fine particles in water is such that wind agitation of the lake could re-suspend fibres which had settled to the bottom, and analytical results would thus vary depending on the wind and the weather, and this was mentioned by the hon. member.

The Department of the Environment, the Department of National Health and Welfare, and the Ontario Ministry of the Environment are continuing to carry out research with respect to asbestos fibres.

The Great Lakes Research Advisory Board which reported to the International Joint Commission will also continue to monitor the progress of ongoing research as it relates to the Great Lakes, report it to the commission, and recommend directions for future research.

NATIONAL DEFENCE—AGRICULTURE—REQUEST GOVERNMENT NOT MAKE CHANGE IN GRADES OF BEEF PURCHASED FOR ARMED FORCES

Mr. Ken Hurlburt (Lethbridge): Madam Speaker, on February 24 I asked the Minister of Supply and Services (Mr. Goyer) a question about the new tendering policy being followed when purchasing beef for use by the Canadian armed forces. This question is recorded at page 3499 of *Hansard*. At that time I asked the minister why the new tenders call for grades A1 and A2, since the previous tenders called for grades B1 and B2. This change in tendering is costing the taxpayers of Canada an additional $60 to $70 per carcass.

The minister replied to my question by saying:

Mr. Speaker, I will certainly examine with interest the impact of that policy and check with my colleague, the Minister of National Defence, what were the department's requisitions.

I have yet to receive a reply from the Minister of Supply and Services. Since the new grading system has been adopted, absolute chaos has resulted in the cattle industry. First, the industry has been paid off with a price differential as high as 37 cents per pound on the same grade animal. Second, the buying public has been led to believe that they are purchasing better quality beef when buying grades A1 or A2. To the contrary, grades B1 and B2 carry a higher degree of marbling and finish.

The previous policy of the Department of Supply and Services had been to purchase grades B1 and B2. When these grades were in short supply, the department then purchased A1 and A2. This policy did a great deal to facilitate the feeding and processing industries in Canada by allowing a choice in grades, which helped to alleviate congestion in the processing plants across Canada.

● (2210)

I directed a supplementary question to the Minister of Agriculture (Mr. Whelan). At that time I asked the minister whether he would make a representation to the Minister of Supply and Services (Mr. Goyer), and ask him to revert to the previous tendering policy in order to help not only the beef producers but consumers as well. The answer given by the minister, which can be found at page 3,500 of *Hansard*, was as follows:

Mr. Speaker, I am given to understand that Canadian meats are always used when they are available, regardless of the department to which they are supplied.

When talking to members of the staff in the Department of Supply and Services they informed me that beef purchased for use by the Canadian armed forces in Europe is purchased from the United States government.

Questions are being asked, not only by myself, but by cattlemen in every province in Canada. First, why does the minister not know the formula for purchasing beef? Second, why does the Minister of Supply and Services not know the difference in cost between grade A and grade B beef? Third, why does the minister not know the amount of space available for cargo in the armed forces Boeing 707 jets used in their weekly flights to Lahr, Germany? The next question Canadian cattlemen would like answered is: why it is that after the astronomical losses which have been experienced by the beef industry during the last 18 months, the Minister of Agriculture does not know that Canadian servicemen are not eating Canadian beef?

In conclusion, I feel that my only hope now to obtain a satisfactory answer lies with the Minister of National Defence (Mr. Richardson), who has promised me that an investigation by his department would be forthcoming.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Madam Speaker, may I first say that the Canadian Minister of National Defence (Mr. Richardson) and the Canadian Minister of Agriculture (Mr. Whelan) are very interested in having the Canadian Armed Forces well fed.

By way of background information, the percentages of beef by grades raised in Canada in 1974 were as follows: grade A, 74 per cent; grade B, 3.7 per cent; grade C, 2.8 per cent; grade D, 17 per cent; grade E, 2.5 per cent. The figures since January 1, 1975, are not much different in that only 4 per cent of total beef killed in Canada for the period January 1 to March 15, 1975 was grade B beef.

The Department of National Defence in its requisitions for beef supplies in Canada has in the past stipulated grade B beef, but that if grade B beef was not available, grade A would be supplied. Grade B beef has not been available in the large quantities required by the department, particularly from the smaller packing plants, and as a result most of the orders were filled by grade A beef.

Also, because the smaller packing plants could not supply grade B beef, only major plants such as Canada Packers tendered bids for contract which eliminated competition for bidding to a great extent.

In view of this situation it was decided, in consultation with the Department of Agriculture—

Mr. Paproski: The coolers are full.

Mr. Hopkins: The hon. member's colleague wants an answer, Madam Speaker; hon. members had their chance to speak.

In view of this situation it was decided, in consultation with the Department of Agriculture and the Department of Industry, Trade and Commerce, to change the specification for beef purchased by the Department of National Defence from grade B to grade A to increase competition by opening the door for smaller regional packing plants to participate in bidding for national defence beef contracts. However, this decision did not apply to all types of beef. Ground beef contracts are continuing to be specified as grade B beef, and veal as grade C.

The cost factor was considered prior to reaching a decision on the change of specification. The price differential between grade A and grade B beef averages 3 cents per pound which, on a carcass of 550 to 600 pounds, results in a total price difference of $16.50 to $18 per carcass.

In summary, the change of specification from grade B to grade A beef for only certain types of beef, was made to stimulate competition and to permit smaller regional packing houses to participate in bidding for National Defence contracts and also because the smaller packing plants did not supply grade B beef. Only the major plants such as Canada Packers tendered bids on contract, which eliminated competition for bidding to a great extent. The policy was changed to prevent this from happening.

Motion agreed to and the House adjourned at 10.17 p.m.

HOUSE OF COMMONS

Wednesday, April 30, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS

ALLEGED DISCRIMINATION AGAINST NATIVES AT DINNER FOR PRINCE OF WALES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of the report that the commissioner of the Northwest Territories was responsible for a dinner for the Prince of Wales at which only 22 of 350 guests were natives, and in view of the further report that the only other Indians in attendance were there as entertainers and were left sitting on a hall floor between washrooms when not performing, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That upon confirmation of the accuracy of this report that this House repudiates such discriminatory behaviour and calls upon the government to request the resignation of commissioner Hodgson.

Mr. Speaker: Order, please. The motion put pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

An hon. Member: There is the abominable "no man" again.

* * *

CRIMINAL CODE

PROPOSED REFERENCE OF BRIEF OF POLICE ASSOCIATIONS ON CAPITAL PUNISHMENT TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In light of the renewed interest in the reinstatement of capital punishment, I move, seconded by the hon. member for Okanagan Boundary (Mr. Whittaker):

That this House instruct the Solicitor General to refer his recent brief by the police association of Nova Scotia and other Atlantic provinces supported by all police associations throughout Canada be referred to the Standing Committee on Justice and Legal Affairs for immediate study.

Mr. Speaker: The motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PROPOSED REFERENDUM ON REINSTATEMENT OF CAPITAL PUNISHMENT—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In light of the great increase in crimes since the beginning of 1975, I move, seconded by the hon. member for Halton-Wentworth (Mr. Kempling):

That this House instruct the Standing Committee on Justice and Legal Affairs to look into the urgent need to introduce a measure allowing a national referendum on the reinstatement of capital punishment.

Mr. Speaker: Order, please. The motion pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

REQUEST SOLICITOR GENERAL INTRODUCE PROMISED MEASURES TO CURB MURDER—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the growing concern about the increase of crimes in this country and the possible need for the reinstatement of capital punishment, I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That this House instruct the Solicitor General to introduce immediately his long promised measures to curb murder and other serious crimes.

Mr. Speaker: Order, please. This motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

HOUSING

REQUEST FOR NEW MEASURES TO ALLEVIATE CRISIS—MOTION UNDER S.O. 43

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, pursuant to Standing Order 43 I request the unanimous consent of the House to present a motion concerning a matter of urgent and pressing necessity. Given the current drastic shortage of mortgage moneys with the resulting upward pressure on interest rates and given the prediction by the Assistant General Manager of the Royal Bank that prices of Canadian houses will rise by 15 per cent by the end of the current year, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That the government immediately introduce new measures to alleviate the housing crisis.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 cannot be accepted without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please; there is not unanimous consent.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—GOVERNMENT ACTION TO ENFORCE COMPLIANCE WITH BACK-TO-WORK LEGISLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct my question to the Minister of Justice, or to the Acting Prime Minister, in the absence of the Minister of Labour? Could we be given further information about the situation concerning the longshoremen in the St. Lawrence ports following the meeting yesterday between representatives of the unions and the Minister of Labour?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Minister of Labour is continuing a series of meetings in connection with the longshoring operations of the ports. At the same time we are taking steps to proceed with applications under the special Act of parliament adopted last week, to obtain an order to ensure compliance with that Act.

Mr. Stanfield: A supplementary question, Mr. Speaker. Would the minister be more specific as to what measures he and his associates are proceeding with to ensure compliance with the Act?

Mr. Lang: Mr. Speaker, the application to which I referred is an application for an order under the Act to secure compliance on the part of the employees' associations. In our view the facts supporting the order had to be established and, thereafter, appropriate notice has to be given to the parties involved. That is now in process.

Mr. Stanfield: A final supplementary question, Mr. Speaker. Who are the parties involved? I do not mean, by name, but by description.

Mr. Lang: Mr. Speaker, I was speaking particularly about the five unions involved.

STRIKE OF LONGSHOREMEN IN QUEBEC—GOVERNMENT VIEW OF FAILURE TO COMPLY WITH BACK-TO-WORK LEGISLATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister? As parliament last week passed legislation ordering the members of these unions back to work immediately, is it the opinion of the government that when parliament passes such legislation and union members are ordered to return to work, that it is satisfactory if they do not return to work?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. The Minister of Justice has outlined the steps the government has taken to see that the Act is complied with.

* * *

INDIAN AFFAIRS

ALLEGED DISCRIMINATION AGAINST NATIVES AT BANQUET FOR PRINCE OF WALES—REQUEST FOR INVESTIGATION AND RESIGNATION OF COMMISSIONER OF NORTHWEST TERRITORIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Acting Prime Minister. In view of the report that appeared originally on television last night, and was repeated in the newspapers this morning, to the effect that among the 350 guests invited for a banquet organized for the Prince of Wales by the Commissioner of the Northwest Territories there were only 22 native people, and as native peoples constitute some two-thirds of the total population of the Northwest Territories, can the Acting Prime Minister tell the House whether the government has conducted an investigation into the accuracy of this report?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we have not conducted any particular investigation. I expect that the Minister of Indian Affairs and Northern Development will be back in Ottawa shortly. He has been meeting with native peoples in the north. All I saw, of course, was what was on television. Everyone, including the native peoples, seemed to be having a good time celebrating the visit of the Prince of Wales.

Mr. Broadbent: A supplementary question, Mr. Speaker. As usual, the Acting Prime Minister seems to have missed the point. Is it the government's view that such a representation of native peoples of the Northwest Territories was adequate? Does the minister think that 22 members of the native community can be considered as a fair

and adequate representation of the population of that part of our country?

Mr. Sharp: No, Mr. Speaker. I was saying that from what I had seen on television, it showed the Indians, both in the audience and those performing, were having a good time. I am not aware of the actual numbers who were invited in various capacities. I am sure the Minister of Indian Affairs and Northern Development will be here and will give adequate answers. If necessary, the government will have an inquiry made.

Mr. Broadbent: A final supplementary question, Mr. Speaker. I would ask the Acting Prime Minister to have confirmed by investigation if the principal role of the native peoples was to provide entertainment for the white population? Even so, the entertainers were kept in a hall, sitting on the floor between two washrooms. Is this the general approach or attitude with which the guests were invited and the entertainers treated? If that is confirmed, will the Acting Prime Minister assure the House the government will take steps to remove the Commissioner of the Northwest Territories from his position?

Mr. Sharp: Mr. Speaker, my acquaintance with the Commissioner when I made a visit to the north confirmed that he was treating all citizens and all of the native peoples in a non-discriminatory way. However, if it were discovered that he had been acting in some different manner, appropriate steps would be taken. I cannot accept the statements that have been made by the hon. member without investigation. I was not there. The minister will be here and he will give a reply.

* * *

[*Translation*]

INDUSTRY

TEXTILES—THE ALLEGED TRANSFER OF PLANTS TO OTHER COUNTRIES

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Is he aware that the Robin Brothers Clothiers Co. Ltd., and Utex Corporation textile companies at Victoriaville are in the process of moving their plant equipment and setting up new plants in Rumania and Colombia, thus endangering employment at Victoriaville even in the textile industry? Is his department aware of that extremely dramatic situation, and is it doing anything to prevent the loss of stable jobs in the textile industry at Victoriaville?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of that particular situation. I will look into it immediately.

[*Translation*]

POSSIBILITY OF PROCESSING ASBESTOS IN QUEBEC—GOVERNMENT POSITION

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary.

I should like to ask the Minister of Industry, Trade and Commerce whether his department had made any studies on the possibilities of processing asbestos in the province of Quebec and, if so, can he tell the House about those studies?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will have to make inquiries on that subject as well.

* * *

FINANCE

EFFECT OF INTERVENTION OF BANK OF CANADA TO PROTECT EXCHANGE RATE OF CANADIAN DOLLAR—GOVERNMENT ACTION TO REDUCE INTEREST RATES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Acting Minister of Finance. It is clear government policy that, as the Prime Minister stated on April 19, and I quote:

—the dollar respond to market forces and that any intervention ... would be only to assure that the float does not have any dirt in it.

It is also clear that the Bank of Canada's recent interventions in support of the Canadian dollar include the selling of securities, which has had the effect of driving up our interest rate levels. Can the minister advise whether such a rise in domestic interest rates is viewed by the government as an acceptable market force at the present time in relation to stabilizing our Canadian dollar exchange level with the American dollar?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, as the Acting Prime Minister pointed out yesterday in response to a question, rising interest rates are not regarded with favour, as a favourable symptom or a favourable response to our general actions. However, it does reflect the competition for available capital in an expanding active economy.

Mr. Stevens: As the minister has confirmed that the interest rate levels are rising, will he now advise if the government has any plans to relieve high interest rate charges against borrowers in Canada, particularly those who have mortgage funds they are now carrying or seek to carry? Are there any plans to ensure that the trade deficit method of financing or high interest rates in Canada will not be carried on the backs of Canadian borrowers?

Mr. Drury: Mr. Speaker, I am not quite sure whose interest the hon. member is advocating, whether it is the borrowers who must be protected or the lenders. As I say, in this instance the rise in interest rates reflects a greater demand for capital—hence, greater economic activity—than there is capital available. There are ways of providing additional capital: it can be imported, or the money supply can be increased with consequent adverse inflationary effects. Or money could be provided, as has been frequently suggested by the opposition, through some form of government subsidy. We believe at the moment that it is not unreasonable to hope for a suitable accommodation by balancing all these forces. This is a question to which the Minister of Finance is presently addressing

himself and undoubtedly he will have some comment to make at the time of the presentation of the budget.

● (1420)

Mr. Stevens: The Acting Minister of Finance has indicated that subsidization is at least part of the government's thinking. Bearing in mind that current interest rates on mortgages in the United States are running at approximately 8.5 per cent whereas in Canada even the NHA rate is more than 10.5 per cent, will the minister tell us whether the government has any plan in mind to subsidize interest rates on behalf of borrowers in Canada?

Mr. Drury: The government would be remiss if it did not explore all possibilities including some which have been suggested and which, on the face of it, appear to be rather impracticable. We are engaged in this assessment and given the usual practice of governments in Canada not to announcing budgetary plans and intentions prior to the presentation of the budget, the hon. member will have to be patient.

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HARBOURS

MONTREAL—ABILITY OF MARITIME EMPLOYERS' ASSOCIATION TO MEET LOAN COMMITMENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is intended for the Minister of Labour but in his absence perhaps I might direct it to the Minister of Transport or the Acting Prime Minister. It relates to the government's guarantee of certain loans secured by the Maritime Employers' Association in respect of programs initiated at Montreal, Trois-Rivières and Quebec. Can the Minister of Transport tell us whether there have been any discussions between his department—perhaps the Acting Prime Minister will deal with that aspect—between the government and the Maritime Employers' Association with respect to the ability of the MEA to meet its commitments to the two principal banks where these loans have been secured and in respect of which the government has given certain guarantees?

Hon. Jean Marchand (Minister of Transport): The question has been addressed to me: I will have to take it as notice and give an answer tomorrow.

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EXTERNAL AFFAIRS

VIET NAM—NUMBER OF CANADIANS REMAINING AND GOVERNMENT MEASURES TO ENSURE SAFETY—RECOGNITION OF NEW REGIME

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Now that the war in Viet Nam has ended, will the hon. gentleman tell the House how many Canadians, including media men, embassy staff, missionaries and aid officials are still in South Viet Nam? How many Vietnamese relatives granted Canadian visas are still there and what measures is the government taking to ensure the safety of these Canadians and relatives?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The information I have is a day or so old and possibly out of date, but on April 24 there were known to be 31 Canadians still in Saigon. This group included a number of journalists and a number of Canadians who planned to leave within a short time. There were 13 Canadians who intended to remain in the country indefinitely, and of these 13, 11 were missionaries. With respect to their safety, it is probable that the territory in which they live is now under PRG control. The PRG has stated that once these foreigners are identified they will be allowed to leave the country if they wish. My hon. friend knows that all Canadians who were in the area were repeatedly warned and given an opportunity to leave before the events culminated yesterday.

Mr. Wagner: A supplementary question, Mr. Speaker. Would the minister tell the House whether the government plans to recognize the new regime in South Viet Nam, and when?

Mr. MacEachen: Mr. Speaker, it is really not yet clear exactly who the new regime is. Once it becomes clear, then there will be an opportunity for the government to decide what action to take. But it is much too early to know exactly what the political situation is to justify recognition.

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IMMIGRATION

POSSIBILITY OF GRANTING REFUGEE STATUS TO VIETNAMESE IN UNITED STATES CAMPS—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Would the minister grant refugee status to some of the thousands of Vietnamese who are now in camps in U.S. staging areas in the Pacific and permit them to come to Canada and, if so, how many?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, my current information, which is still somewhat obscure obviously because of the situation, indicates that between 50 and 100 relatives of Canadians who will sponsor them may have reached Guam. Some others are apparently showing up in places like Bangkok. We are in communication with the Americans in order to get the most current information as to names of people who are on the list that we supplied to them, and I think that later this day, and certainly later this week, we will have a clearer picture and will be proceeding with all reasonable measures to clear their passage to Canada.

With regard to people from Viet Nam who are not relatives but might be claiming refugee status, we will deal with these, as I said the other day, on an individual basis. We have been in touch with the United Nations High Commissioner for Refugees, but there has been no declaration or decision by that agency to declare a mass

refugee situation. I think the situation will clarify itself a bit within the next few days when we know where people are gathering and what their status is.

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ENERGY

NATURAL GAS—ALBERTA AWARD OF PRICE INCREASE TO TRANS-CANADA—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources in regard to the report that an Alberta arbitration award has been handed down in a dispute between Gulf Oil and Trans-Canada setting a price for natural gas of $1.15 per thousand cubic feet. Has the minister been in touch with the premier of Alberta as to whether or not this price is now going to be the price for all gas exported from Alberta to Canadian consumers, or what steps does the government propose to take to deal with an increase of from 60 cents per thousand cubic feet to $1.15?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The hon. gentleman will recall that this decision was not unanticipated, Mr. Speaker. Indeed, it was referred to by me in the debate on the Petroleum Administration Act. It would be the government's view that an increase to $1.15 at the wellhead should not take place at this time. Indeed, officials of my department have already met with the Albertan officials to talk about some agreement on an increase, but to a much lower level than that proposed by the arbitration board. I am anticipating meeting the Alberta minister of energy this coming week to have further discussions along this line, and we hope that this will lead to an agreement on a price for natural gas, as of November 1 this year, which could then be made subject to orders in council as provided for in the Petroleum Administration Act, assuming, of course, that that bill comes into law.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of this decision whether it stands or not, in regard to the domestic price of natural gas, may I ask the minister what effect it will have on setting the export price of gas? In view of the fact that it is generally conceded that the minister has in mind a price of $1.60, allowing for transportation, a price of $1.15 would mean that Canadian consumers would be paying a higher price for gas than American consumers. Will the minister be making an announcement within the next few days on the export price, and can he give us any idea whether the action in Alberta will have any effect on the federal government's decision in respect of the export price for natural gas?

● (1430)

Mr. Macdonald (Rosedale): Strictly speaking, Mr. Speaker, it would not have a direct effect on the determination of the export price. I anticipate being able to make an announcement within the next several days in respect of the next step upwards in the export price of gas, but I just confirm again that my efforts will be directed toward keeping down the price of gas to the Canadian consumer very much below the $1.15 level.

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AIR TRANSPORT

PROPOSED MONETARY COMPENSATION FOR PREGNANT FLIGHT ATTENDANTS IF REFUSED PERMISSION TO FLY

Mrs. Ursula Appolloni (York South): Mr. Speaker, in view of the important medical facts pointed out in a letter dated April 7 from Dr. Lise Fortier to the vice-president of the Canadian Airlines Flight Attendants Association, will the Minister of Transport assure this House that if his department does succumb to the chauvinistic pressure of the pilots' association and refuses pregnant flight attendants the right to fly it will also legislate due monetary compensation in line with the benefits enjoyed by their pregnant sisters in every other branch of industry?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have asked Mr. McLeish, the Director General of Civil Aeronautics, to meet with the association of the stewardesses and flight attendants in order to have a new look at this problem. They are supposed to meet on May 12 and have discussions about the new regulations which are not going to be adopted before we reach some kind of an agreement with this association.

Mr. Fairweather: And with your own low.

Mr. Marchand (Langelier): Of course, at the same time we have a joint commitment with labour so we have to reconcile our own regulations with the labour standards of the Minister of Labour.

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EXTERNAL AFFAIRS

ALLEGED CANCELLATION OF UNITED NATIONS MEETING BY AUSTRALIA BECAUSE OF ATTENDANCE OF PLO REPRESENTATIVES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, will the Secretary of State for External Affairs advise the House whether Australia recently cancelled a United Nations meeting to be held in Australia because it would have involved the attendance of representatives of the PLO and, if so, did such action jeopardize the membership of Australia in the UN?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have no information on this subject.

UNITED NATIONS CONFERENCE IN TORONTO—CONSISTENCY OF ATTENDANCE OF PLO REPRESENTATIVES WITH CANADIAN ATTITUDE TOWARDS TERRORISM

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I would ask the minister to look into that. Could he advise whether the decision to go ahead with the hosting of the UN congress on crime in this country was taken after

consideration of whether the presence of PLO representatives in Canada is consistent with the official position of Canada regarding terrorist methods?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the decision of Canada to host this particular conference was taken some time before the PLO was granted observer status at the United Nations. Of course, as my hon. friend knows, Canada voted against granting the PLO observer status at the United Nations.

An hon. Member: You abstained.

Mr. Fraser: Mr. Speaker, I would like to take it that the minister's answer is that this is inconsistent with our policy, but is the minister satisfied that such a decision is in the best interest of this country, in view of the fact that our people overwhelmingly condemn terrorist activity?

Mr. MacEachen: Mr. Speaker, that is not a question related to policy, it is a way by which the hon. member is expressing his own opinion.

Some hon. Members: Oh, oh!

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FINANCE

SUGGESTED REDUCTION OF SALES TAX ON AUTOMOBILES—GOVERNMENT POSITION

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, in view of the serious drop in our automotive and automotive parts trade, will the Minister of Industry, Trade and Commerce recommend to his Cabinet colleague, the Minister of Finance, that he consider reducing or eliminating the federal sales tax on automobiles and light trucks in his forthcoming budget?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be pleased to place that representation before the Minister of Finance. While I am on my feet, it might be of interest to the hon. member to know that investment in the parts industry in Canada has not been as depressed as it has been in recent years. Indeed, there is now a trend indicating some pickup, and the investment in 1974 was the third highest on record.

Mr. Kempling: Mr. Speaker, will the minister consider recommending that where Canadian companies are willing to give their employees a bonus for purchasing a new automobile, that bonus will be allowed as a tax deductible expense?

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AGRICULTURE

BEEF CATTLE—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT CANADA IN DEFICIT POSITION WITH REGARD TO BEEF PRODUCTION

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Agriculture and arises from an answer he gave yesterday concerning the status of beef, in which he stated that Canada was in a deficit position. How can the minister reconcile this deficit position with the low price of beef, and when does he expect that beef producers can recover the cost of production?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the fact is well known that we do not produce all the beef we eat in Canada. We have normal exporters to this country that we allow to ship beef on a quota system based on 100 per cent of a five-year average. These include Australia, New Zealand, the United States and Argentina. The stabilization price we have established may not provide all beef farmers with an adequate return, but it does give most of them an adequate return on their productivity. This is a "stop loss" program and is something the beef industry requested.

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ENERGY

NATURAL GAS—POSSIBILITY OF FEDERAL INTERVENTION IN APPLICATIONS OF ARCTIC GAS AND FOOTHILLS PIPELINE COMPANIES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct my question to the Minister of Justice, and it relates to the line of questioning in regard to the cost of natural gas. Is it the minister's intention to have his department intervene at the pipeline hearing before the National Energy Board with reference to the applications of Canadian Arctic Gas Pipeline and Foothills Pipeline Companies? If that is the case, what is the reason for that intervention? Before the minister answers I might mention that the deputy minister of his department has suggested there will be an intervention in a communication with the Canadian Consumers' Association.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think the Deputy Attorney General indicated that the question of an intervention was being considered, and that consideration is still continuing. The point of that intervention which is being discussed involves the matter of putting before the board a view concerning the public interest.

Mr. Woolliams: Mr. Speaker, the phrase "public interest" could cover a lot of good things and a lot of sins. What public interest in the minister referring to? We are dealing with the law of supply and demand and with pipelines to bring gas out of the Arctic. Does the public interest have relation to considerations of the Department of the Environment or the Department of Indian Affairs? Just what is the public interest?

Mr. Lang: Mr. Speaker, the consideration would involve all these departments and the questions that have to be resolved in deciding whether we should intervene, as well as the kind of approach we can properly take before the National Energy Board, and the position we might be in when putting that approach before the National Energy Board in view of the other role the government plays in connection with National Energy Board decisions.

AGRICULTURE

POTATOES—POSSIBLE HAZARD TO LIVESTOCK IF USED AS FEED

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture and it arises from his announcement a few days ago that the federal subsidy on potatoes was being extended to those potatoes destined for the livestock feeding industry, particularly cattle feeding. I should like to ask the minister whether he was aware, when this announcement was made, that these potatoes, particularly in western Ontario, are not in cold storage? Was he also aware of the fact that large quantities are either green, rotting or sprouting, which could result in the production of the toxin solamine, which according to the Ontario Ministry of Agriculture, the veterinary branch, is a serious hazard to livestock?

● (1440)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are fully aware of that. There are publications probably in every agricultural affice which tell the farmers how to feed them to make sure that there are no sprouts and so on on them. I want to make it pretty clear that we offered this program in the first instance to all the provinces but, because of the normal marketing conditions and the normal supply situation in Quebec and Ontario at this time of the year, they did not think that they would have any to feed the livestock. We have said they should be cautious in feeding cattle to make sure that if there are a tremendous number of sprouts these are removed. The potatoes should be introduced gradually into a feeding program, and the livestock should not be put on a complete diet of potatoes all at once. In addition for swine they should be cooked.

Mr. Jarvis: Mr. Speaker, in the light of the fact that the cattle producers, particularly in western Ontario, have not been feeding potatoes over the last few years to their cattle would the minister, rather than rely simply on the government publication which I believe is No. 1527, issue a press release or some kind of information bulletin so that these producers are aware of the dangers and are also aware of the availability of this information, either through their provincial or federal Department of Agriculture offices.

Mr. Whelan: Mr. Speaker, most of the cattle producers I know—and I am sure the hon. member would not want to insinuate that cattle producers in Ontario do not know how to feed cattle—are amongst the most expert in the cattle industry in all of Canada. I will check with my officials to see whether we think it is necessary to do this, but the people I spoke to who want to feed this are expert cattle feeders.

Oral Questions

AIR CANADA

SUGGESTED ENLARGEMENT OF TERMS OF REFERENCE OF ESTEY INQUIRY—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. During the adjournment debate on Monday, April 28 I requested that Judge Estey's inquiry cover the Air Canada finance branch in Winnipeg. The parliamentary secretary, in answer to me, stated that nothing prevents Judge Estey investigating the financial activities of Air Canada. Will the minister now direct the judge to investigate the billing and labour problems at the finance branch in Winnipeg.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I stated in the House that before the terms of reference were finalized we met with the judge and asked him if he had all the powers to do what he intends to do and what we wanted him to do and he said he had. So, he will decide. I will not tell him to do anything. He is a free man. I think he is intelligent and strong and I do not see how I could decently tell him to go here and there or do this and that.

Mr. McKenzie: Mr. Speaker, I cannot accept all the explanation of the minister. In light of the serious mechanical problems Air Canada is having with its aircraft, such as depressurization problems, engine failures on DC-9's and L10-11's and recent emergency landings, will the minister have Judge Estey inquire into these serious mechanical breakdowns before there is a major fatality.

Mr. Marchand (Langelier): Mr. Speaker, I do not think it is in accordance with the facts to infer that the safety of Air Canada aircraft is weaker than that of the aircraft of other companies. I think sometimes some of these things are probably for the better. For example, it has been said I think in the House, I do not know whether or not by the hon. gentleman, that there was an engine explosion over Ottawa. This was not true at all. It was a reverter which fell down and this happens very often. I do not think there is any need to do what the hon. member asks. I invite the hon. gentleman to visit Air Canada with all the technicians he wishes and visit the repair maintenance shops, so that once and for all he will be either satisfied or dissatisfied with the work.

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[*Translation*]

CONSUMER AFFAIRS

ALLEGED FALSE ADVERTISING BY NATIONAL CITIZENS COALITION—GOVERNMENT POSITION

Mr. Fernand E. Leblanc (Laurier): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs.

As the minister is responsible for false, deceitful, misleading and fraudulent advertising, could he tell this House what steps his department intends to take against the National Citizens Coalition Inc. for a false, deceitful and misleading advertisement published today on page 13 of the *Globe and Mail* concerning Bill C-44?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I saw the advertisement. That organization has no commercial interest and cannot be prosecuted for misleading advertising. However, it could be examined by the officials of the Department of Justice to see whether it violates Criminal Code provisions on hate propaganda. Such advertising, Mr. Speaker, is closely related to the comments made by a CBC reporter in Ottawa whose professional ethics and qualifications should be checked, because for the second time in a few weeks, he made a report last night on the salaries of federal members which was also misleading, unfair and hateful.

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LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—REQUEST FOR REPORT ON MINISTER'S MEETING WITH UNION OFFICIALS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I want to put a question to the Minister of Labour.

Since the minister was supposed to meet yesterday with the representatives of the International Longshoremen's Association, can he tell us whether the meeting has taken place and if so, can he explain to the House the results of the meeting?

[*English*]

Hon. John C. Munro (Minister of Labour): Yes, I can, Mr. Speaker. I can advise the hon. member that I did meet with the union leadership of the longshoremen yesterday. I indicated to them that before any meaningful discussion could take place with regard to any of the grievances they had against their employers or with regard to the legislation they would have to desist in defying the law, obey the law and go back to work; then such discussions could take place in the normal course of events.

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INDUSTRY

MICROSYSTEMS—METHOD BY WHICH GOVERNMENT TRYING TO RECOVER INVESTMENT AND AMOUNT EXPECTED TO BE RECOVERED

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. Would the minister outline for the House the way in which he is personally attempting to recover the more than $37 million invested by the Canadian government in Microsystems. Also in view of the fact that Northern Electric will, as it turns out, not lose a penny on its investment in Microsystems, will the minister tell the House how much of the more than $37 million the government expects to recover from Northern Electric.

Mr. Speaker: The hon. member is aware that he cannot ask a question worded in that manner.

[Mr. Leblanc (Laurier).]

ADMINISTRATION OF JUSTICE

NEWFOUNDLAND—REASON FOR DELAY IN APPOINTING JUDGE TO SUPREME COURT AND INTRODUCING LEGISLATION ESTABLISHING APPELLATE COURT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Justice. I should like to ask the minister when he proposes to appoint a judge to fill the vacancy on the Supreme Court of Newfoundland, considering that vacancy has been in existence for almost seven months, is causing a severe workload on the three judges and making it very difficult for this court to sit in on appeals against one of its members judgments.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I look forward to the possibility of doing this very soon.

Mr. McGrath: Mr. Speaker, could I ask the minister if he can explain the delay and, secondly, tell the House when he intends to proceed with the legislation which has been on the order paper for sometime now to create an appellate court for the province of Newfoundland.

Mr. Lang: Mr. Speaker, part of the delay relates to the reorganization of the courts and the impact this might have upon appointments. However, as usual the search for well qualified persons to receive these appointments is a significant matter and not one taken lightly and adds to the over-all delay.

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EXTERNAL AFFAIRS

VIET NAM—GOVERNMENT ACTION TO ENSURE SAFETY OF NORMAN AND JEAN JOHNSON

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Secretary of State for External Affairs. The minister today advised the House that the PRG had given the Canadian government assurance that Canadians held captive in Viet Nam would be freed as soon as they were identified. As the acting minister last week advised that Norman and Joan Johnson, two missionaries from Hamilton, had been located in a POW camp, can the Secretary of State for External Affairs tell us why these Canadians have not been given their freedom and what specific action the government is taking to ensure that the communist forces do not make that assurance another of their broken promises?

● (1450)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we are making representations through channels which are available to us, and we will continue to do that with respect to the missionaries to whom the hon. member refers. My latest information is that both persons are in good health and that Mr. Johnson himself is permitted to conduct missionary activity within a certain area.

AIR TRANSPORT

USE OF FRENCH BY AIR TRAFFIC CONTROLLER—DATE OF REPORT OF TASK FORCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, on April 28 I raised the question of the possible danger to the air travelling public as a result of other than the English language being used in air to ground communications in Quebec, and the Acting Prime Minister at that time promised an answer yesterday, which I did not receive. Today, I would like to ask him or the Minister of Transport, in light of the fact that the Ministry of Transport has itself investigated and reported on two recent Canadian aircraft accidents in which English-French language usage and confusion were contributing factors to the accidents, when we can expect the report of the federal government's task force outlining definite regulations concerning this important matter.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know that people in my department, and certainly those in charge of security, are supposed to meet with the pilot association, CALPA. They have produced a brief, and immediately after this we tried to reach some conclusion.

[*Translation*]

USE OF FRENCH BY AIR TRAFFIC CONTROLLERS IN QUEBEC—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary for the Minister of Transport.

In view of the fact that last week, if I am correct, a meeting was held between representatives of the Quebec Air Traffic Controllers's Association and officers in charge of air communications within his department, could he give us some idea as to what extent French will be used in different areas of the province of Quebec and tell us the results of the meeting?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the department and a group from Quebec had agreed that on a temporary, transitional and experimental basis, French could be used in some airports. However, this did not apply to Montreal and was valid only with French-speaking pilots. Now the whole situation will be subject to an overall review as a result of the meeting to be held with the national pilots' association.

[*English*]

SERVICE FOR SOUTHWESTERN MANITOBA AND SOUTHEASTERN SASKATCHEWAN—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Transport. Southwestern Manitoba and southeastern Saskatchewan communities have been without air service for over a year now. Can the Minister of Transport inform the House, and the people of this particular area when air service will be provided?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I could be mistaken, but I think I wrote to Mr. Evans of the government of Manitoba yesterday saying that we are ready to buy two Saunders aircraft and to pay part of the maintenance and operation costs of a line between Brandon, Yorkton and all the other cities. There is agreement. There was disagreement on the share of each government. I am not sure, but I think this point has been settled.

POSSIBILITY AIR CANADA WILL PROVIDE SERVICE TO BRANDON—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Arising from the minister's statement on March 10, as recorded in *Hansard* page 3964, that one month from that date Air Canada, at the request of the government of Saskatchewan, was going to produce a plan for a regional air carrier which would include Brandon airport, and also in view of the fact that the third level carrier the minister has just referred to will be quite uneconomic until it is supplemented by this proposed regional jet service, when will the report be available, and will it indicate that Air Canada will be the designated carrier to provide this additional service?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, Air Canada is not the carrier which will deliver this service. The government of Manitoba will decide which carrier will provide the service in that particular case. This is part of our transportation policy. We know that we have many things to correct in the field of regional services, and I hope that I can soon be in a position to inform the House what this policy is.

* * *

INFORMATION

DATE OF LEGISLATION TO PROTECT CONFIDENTIALITY OF COMPUTER-STORED INFORMATION—SUGGESTED LACK OF SAFEGUARDS AT POLICE INFORMATION CENTRE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Justice. Does the minister still intend to introduce enabling legislation which will allow the government to regulate federal computerized data banks to ensure the preservation of the civil liberties of Canadians on whom the federal government has computerized files, and if so, when?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the intention of the government is to deal with information it has on citizens in connection with a bill dealing with the Human Rights and Interests Commission.

Mr. Beatty: Is it consistent with government policy that the Canadian police information centre computer has at present some 6,556 files on Canadians who are under surveillance but who have not been charged with any offence, that these files can remain open indefinitely until the local police decide to close them, that no provision is made at all for notifying a person on whom a file was opened and who is ultimately not charged with any offence and that these computerized files can be assessed by any one of 668 terminals across Canada and the United States?

Mr. Lang: I understand the representation by the hon. member, and I will also discuss this matter with my colleague the Solicitor General in the context of forthcoming bills.

* * *

HOUSING

MORTGAGE INTEREST RATES—GOVERNMENT ACTION TO REDUCE AND INCREASE NUMBER OF STARTS

Mr. John Gilbert (Broadview): My question is directed to the Minister of State for Urban Affairs. The banks increased their mortgage lending rates last week, which will have a serious effect on the housing market this year. In view of the fact that the minister and his officials have contacted bank officials regarding the effects of the increase, will the minister report the results of his consultations and assure the House that the banks will roll back the rate increase?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I certainly cannot give the hon. member such an assurance. Discussions with lenders, builders and client groups is a regular process on my part and the part of my officials. We are watching the situation very carefully and doing everything possible to make certain that a stable mortgage market exists and that housing is available for Canadians.

Mr. Gilbert: Peter Carter, the assistant general manager of the Royal Bank, in a speech yesterday said that mortgage interest rates are probably at their lowest level right now and that they will rise sharply during the year. He estimated there would be about 180,000 starts this year. What does the minister intend to do with regard to controlling interest rates and increasing housing starts?

Mr. Danson: I do not control interest rates. We respond to the money markets as they are, and we make it possible for Canadians to buy housing. We are trying to do that and to find rental accommodation under extremely difficult circumstances and in an uncertain economic climate, but I can assure the hon. member that, in a situation which might be relatively short-term in its consequences, I will not panic by introducing long-term measures.

* * *

COMBINES

POSSIBLE TAKEOVER OF ARGUS CORPORATION BY POWER CORPORATION—ALLEGED CONFLICT OF VIEW BETWEEN CABINET MINISTERS ON APPROPRIATENESS OF ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister. Could he tell the House whether the Prime Minister was expressing government policy regarding the proposed takeover of Argus Corporation by Power Corporation when he said he did not know whether it was a good thing, or whether the Minister of Industry, Trade and Commerce was expressing government policy when he told his constituents that he was against it? Does the government pay any attention to the views of the Minister of Industry, Trade and Commerce?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, in answer to the second part of the question, the Minister of Industry, Trade of Commerce is a valuable minister who contributes greatly to the strength and stability of the Canadian economy.

On the first part of the question, because there is some difference of opinion and some uncertainty, we have appointed a royal commission to investigate the general subject.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

CAPITAL PUNISHMENT—PRESENTATION OF PETITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have the honour to present a petition on capital punishment on behalf of over 200,000 concerned people across Canada—a very small percentage of the over-all majority who are in favour of capital punishment. May I say the petitions forms were made available in both official languages across Canada.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 705, 1,224, 1,457, 1,557, 1,563, 1,584, 1,588, 1,669, 1,925, 1,926, 1,930, 1,952, 2,012, 2,019, 2,078, 2,141, 2,192, 2,210 and 2,217.

Mr. Speaker, if question No. 704 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

DEPARTMENT OF MANPOWER AND IMMIGRATION—TRAVEL EXPENSES

Question No. 705—**Mr. Stevens:**

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

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

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The aggregate expenditure by the Department of Manpower and Immigration for travel abroad by: (a) The minister and his immediate staff for the fiscal year: 1971-72, $7,214.75; 1972-73, $2,667.52; 1973-74, $8,494.87; and 1974-75, for period ending Sept. 30/74, $3,051.80; (b), (c) and (d): Requested information is not readily available. To provide an accurate reply would entail a lengthy and costly examination of departmental records at all offices in Canada and at headquarters, as well as the hiring of additional staff to carry out the research.

2. See below.

(a)	(b)	(c)	(d)	(e)	(f)	
Purpose of Trip	Furthest Destination	Name of Person(s) who took Trip	Time Outside Canada	Nature of Expenditure	Number in Party	Amount
On Minister's Request	Sydney, Australia	D. Clark	Nov. 18-30/71	Travel accommodation food & miscellaneous	2	$ 5,802.75
Official Business	Sydney, Australia	O. Lang	Nov. 18-30/71	Travel accommodation food & miscellaneous	2	1,412.00
On Minister's Request	Providence, U.S.A.	D. Coates	Mar. 1-17/73	Travel accommodation food & miscellaneous	1	672.37
On Minister's Request	Mexico City, Mexico	M. Gravelle	Nov. 14/72	Travel accommodation food & miscellaneous	1	217.15
To represent Minister	Kampala, Uganda	Z. Levine	Jul. 2-7/72	Travel accommodation food & miscellaneous	1	1,672.00
Official Business	Madrid, Spain	R. Andras	Apr. 18-May 30/73	Travel accommodation food & miscellaneous	2	2,908.86
Travelling with Minister	Madrid, Spain	M. Gravelle	Apr. 30-May 11/73	Travel accommodation food & miscellaneous	2	1,111.00
Official Business	London, England	R. Andras	Aug. 2-9/73	Travel accommodation food & miscellaneous	2	1,015.34
Accompany Minister	London, England	D. Coates	Aug. 2-9/73	Travel accommodation food & miscellaneous	2	1,145.95
On Minister's Request	Ithaca, N.Y., U.S.A.	D. Coates	Apr. 5-7/73	Travel accommodation food & miscellaneous	1	339.83
On Minister's Behalf	Boston, U.S.A.	D. Coates	Jul. 18-21/73	Travel accommodation food & miscellaneous	1	517.80
On Minister's Request	Boston, U.S.A.	D. Coates	Aug. 16-17/73	Travel accommodation food & miscellaneous	1	347.84
On Minister's Request	Boston, U.S.A.	D. Coates	Sept. 14-18/73	Travel accommodation food & miscellaneous	1	342.64
On Minister's Behalf	New York, U.S.A.	V. Glickman	Feb. 21-74/74	Travel accommodation food & miscellaneous	1	462.00
On Minister's Behalf	Budapest, Hungary	V. Glickman	Aug. 18-Sept. 1/74	Travel accommodation food & miscellaneous	1	2,168.86
On Minister's Behalf	London, England	W. G. Tamblyn	Apr. 25-May 3/74	Travel accommodation food & miscellaneous	1	831.77

CANADIAN PARTICIPATION IN UNITED NATIONS VOTES

Question No. 1,224—Mr. Cossitt:

1. (a) In how many votes has Canada participated at the United Nations since April 30, 1968 (b) how many times did it vote (i) in the affirmative (ii) in the negative (c) how many times did it abstain?

2. In the case of each abstention, what was (a) the specific question involved (b) the reason Canada abstained (c) the name and job designation of the highest authority in the government deciding upon such abstention?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): It would be a task of considerable magnitude to reply in full to the Hon. member's question. As he will be aware, there are literally thousands of issues that have been dealt with by the various institutions, committees, organs and agencies of the United Nations system in the period in question. In the belief, however, that the main thrust of the question has to do with voting in Plenary meetings of the annual General Assembly, the focus of the response set out below is upon resolutions coming before that body for discussion and voting. 1. (a) Number of votes Canada has participated in since the April 30th, 1968 (excluding all resolutions etc., adopted without vote), 725; (b) (i) affirmative votes, 496; (ii) negative votes, 49; (iii) abstentions, 180.

2. (a) The titles or a text of each of the above 180 resolutions on which Canada abstained can be provided to the Hon. member if he so wishes. (b) Many of the 180

resolutions are long and complicated, and to provide a meaningful explanation of every abstention would require a substantial examination of each in its proper context. The important point, however, is that an abstention does not represent failure to take a position. Like a positive or negative vote, it reflects a decision to take this particular position that has been arrived at by the government after consideration of all the relevant factors. Among the circumstances which can influence the government to register an abstention are the following: the government may favour a resolution generally but cannot support a particular part of it; it may wish to express dissatisfaction with a proposal rather than outright opposition; it may not wish to appear to be favouring one party or another so as not to prejudice the possibility of playing an eventual mediating role. (c) Under the authority of the minister or the cabinet as appropriate.

FEDERAL ASSISTANCE TO SABLE FISH PACKING

Question No. 1,457—**Mr. Hogan:**

How much money has the government supplied since 1968 to a company variously known as Judy Linda Four, then Continental Sea Foods and now called Sable Fish Packing and situated in Shelburne County, Nova Scotia?

Hon. Mitchell Sharp (President of the Privy Council): As the Department of the Environment came into existence in June, 1971, the information is limited to: 1971-72, Nil; 1972-73, Nil; 1973-74, $9,244.51; 1974-75, $34,397.80. Under the regulations of the Area Development Incentives Act, payments amounting to $132,687 have been made to a firm with a name similar to one of those in the question, Sable Fish Packers Limited.

FERRY SUBSIDY PAYMENTS—"CAMILLE MARCOUX"

Question No. 1,557—**Mr. Munro (Esquimalt-Saanich):**

1. What was the subsidy paid to the operator of the ferry icebreaker *Camille Marcoux* for the construction of that vessel?

2. Who is the operator of the service to which the *Camille Marcoux* has been supplied?

3. For what reason was no mention made of such subsidy in the answer to Question No. 1,128?

4. Has the government had a request from the Government of British Columbia for financial subsidies in support of the ferry service forming part of the Trans Canada Highway, namely the Nanaimo-Horseshoe Bay service and, if so, will the government Table the exchange of correspondence?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Transport and the Prime Minister's and Privy Council Offices as follows: 1. None.

2. Société des Traversiers de Québec, 25 Place Marché Champlain, Québec, Québec.

3. No subsidy was paid.

4. The government of British Columbia has requested the federal government to provide financial support for the ferry service between Nanaimo and Horseshoe Bay. The federal government would be prepared to table correspondence dealing with the provincial request for assistance to this ferry service provided the government of British Columbia agrees.

[Mr. Breau.]

PROFESSORS FROM DEVELOPING COUNTRIES

Question No. 1,563—**Mr. Munro (Esquimalt-Saanich):**

1. Since 1968, how many non-Canadian university professors from developing countries have been awarded regular teaching fellowships by CIDA at Canadian universities?

2. To which universities were they assigned?

3. How many of these are now attached to Canadian universities?

4. From what disciplines was the selection made?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): 1. None.

2. Not applicable.

3. Not applicable.

4. Not applicable.

FEDERAL ASSISTANCE—PROMOTION OF FARM MACHINERY MANUFACTURING IN WEST

Question No. 1,584—**Mr. Hnatyshyn:**

1. Is the government considering financial or other assistance such as stockpiling raw materials to promote farm machinery manufacturing in the West?

2. Is the government considering setting up emergency repair parts depots in major centres so that farm machinery repair parts may be available within 72 hours?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Regional Economic Expansion and Industry, Trade and Commerce as follows: 1. The Department of Regional Economic Expansion continues to support actively the establishment of new farm machinery manufacturing facilities and the expansion of existing operations in designated regions of the West under the authority of the Regional Development Incentives Act. The department is also undertaking new initiatives in both Saskatchewan and Manitoba to investigate problems and opportunities existing in the industry. In Manitoba, a joint federal-provincial committee has been established to identify areas where joint action between the Department of Regional Economic Expansion and Manitoba could lead to new initiatives in the manufacturing and servicing sectors of the farm machinery industry. Under a Canada-Saskatchewan Subsidiary Agreement on Iron, Steel and Other Related Metal Industries, Canada and the provinces are actively supporting and promoting the establishment of new farm machinery manufacturing facilities as well as the expansion and diversification of the existing industry base.

2. The federal government is not considering the establishment of emergency parts depots for farm machinery. In this regard, it should be noted that the provinces of Manitoba, Saskatchewan and Alberta already have legislation in place intended to ensure that spare parts for farm machinery are available within a reasonable time period and that no additional measures are considered appropriate at this time.

CHANGES IN REGULATIONS CONCERNING ADVERTISING

Question No. 1,588—**Mr. Herbert:**

1. Is it intended that announced changes to the regulations concerning magazine advertising, to be effective January 1, 1976, contain regulations affecting the Canadian subsidiaries of those foreign parent companies that advertise in foreign magazines distributed in Canada?

2. Does the advertising of the foreign parent effectively give the subsidiaries a Canadian advertising presence?

3. Will any changes be proposed to tax regulations affecting the advertising for trade purposes of Canadian companies which advertise in foreign magazines that are also circulated in Canada?

4. Will tourist agencies and tourist attractions be permitted deductible expense advertising after January 1, 1976 in American magazines that also have a Canadian circulation?

5. Will Canadian merchandising outlets be permitted deductible expense advertising on American television outlets after January 1, 1976 if their advertising is directed at the American market for export purposes?

Hon. Ron Basford (Minister of National Revenue): The answers to this question will depend upon any changes in regulations concerning advertising expense which will be determined by the nature of amendments to section 19 of the Income Tax Act approved by parliament.

PRIME MINISTER'S SUMMER RESIDENCE

Question No. 1,669—**Mr. Cossitt:**

1. What was the total cost for all aspects of the Prime Minister's summer residence at Harrington Lake for the fiscal year 1974-75 up to and including the last month for which figures are available, including a breakdown of the total showing (a) insofar as the National Capital Commission is concerned (b) insofar as the Department of Public Works is concerned (c) insofar as the Prime Minister's and the Privy Council Offices are concerned?

2. For each, what is the breakdown of costs under all possible headings including (a) salaries and wages (b) contract services (c) supplies (d) sundries and entertainment (e) construction and alterations (f) maintenance?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the National Capital Commission, the Department of Public Works and the Prime Minister's and Privy Council Offices as follows: 1.

1. (a)	$24,132	(b)	$20,022	(c)	$3,595
2. (a)	15,504		234		3,595 plus official residence Ottawa staff as required
(b)	5,023		17,300		Nil
(c)	1,239		2,254		(c) and (d) expenditure included in operation of official residence Ottawa
(d)	1,021		234		
(e)	1,345		234		Nil
(f)	Broken down under (a) to (d)		234		Nil

Order Paper Questions

ANNUAL SALARY OF MR. J. M. MORIN, DEPUTY COMMISSIONER OF OFFICIAL LANGUAGES

Question No. 1,925—**Mr. Cossitt:**

1. What is the total annual salary of Mr. J. M. Morin, Deputy Commissioner of Official Languages?

2. What was the total cost to taxpayers of French language lessons received by Mrs. Morin?

3. (a) On what dates did Mrs. Morin take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): 1. The Commissioner of Official Languages reports directly to parliament and not through a minister. Questions can be made directly to him privately. In so far as the Public Service Commission is concerned:

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24 (3) (Tabled January 22, 1975).

3. (a) Mrs. J. M. Morin did not receive French language lessons. She undertook English language training under the arrangements in effect with the language bureau during 1971-72, 1972-73, 1973-74, and 1974-75. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

FRENCH LANGUAGE LESSONS

Question No. 1,926—**Mr. Cossitt:**

1. What is the total annual salary of Mr. B. C. Hofley, Assistant Deputy Minister in the Department of the Solicitor General?

2. What was the total cost to taxpayers of French language lessons received by Mrs. Hofley?

3. (a) On what dates did Mrs. Hofley take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of the Solicitor General and the Public Service Commission as follows: 1. $29,000-$37,000.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24 (3) (Tabled January 22, 1975).

3. (a) Mrs. B. C. Hofley did not receive French language lessons. She undertook English language training under the arrangements in effect with the language bureau during 1971-72, 1972-73 and 1973-74. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

FRENCH LANGUAGE LESSONS

Question No. 1,930—**Mr. Cossitt:**

1. What is the total annual salary of Mr. F. Pageau, Director of International Postal Affairs Branch in the Post Office Department?

2. What was the total cost to taxpayers of French language lessons received by Mrs. Pageau?

3. (a) On what dates did Mrs. Pageau take such lessons (b) who authorized such lessons and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Post Office Department and the Public Service Commission as follows: 1. $25,500-$32,500.

2. No individual costing is maintained because the students attend courses for various lengths of time. (See also answer to question No. 24 (3) (Tabled January 22, 1975).

3. (a) Mrs. F. Pageau did not receive French language lessons. She undertook English language training under the arrangements in effect with the language bureau during 1970-71, 1971-72, 1972-73 and 1973-74. Classes were normally held two times a week. Individual dates cannot be verified. (b) Authorization is obtained for each course year through the personnel division of the department or agency in which the candidate's husband is employed.

TOURISM BROCHURES

Question No. 1,952—**Mr. Reynolds:**

1. Was a contract awarded in March 1974 to Pierre Desmarais Inc., Saint-Laurent, Quebec for 1,325,000 tourism brochures at a cost of $535,000?

2. For what department did the Department of Supply and Services procure such booklets?

3. Are such booklets to be provided on a bon gratis basis?

4. Where will such brochures be directed in terms of distribution?

5. Were tenders called on the contract and, if so, what companies tendered?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Supply and Services and Industry, Trade and Commerce as follows: 1. Yes. The contract was issued February 5, 1974. The News Release of the award of contract was dated March 7, 1974.

2. Canadian Government Office of Tourism, Department of Industry, Trade and Commerce.

3. Yes, such booklets are to be provided on a bon gratis basis.

4. Such brochures will be directed in terms of distribution mainly to the United States; to a lesser extent within Canada; to a very limited extent in Europe.

5. Thirty-five firms in six provinces were invited to tender of which the following companies submitted tenders: Ashton Potter Ltd., Toronto, Ontario; C. F. Haughton Ltd., Agincourt, Ontario; Rolph-Clark-Stone Limited, Bramalea, Ontario; Graphic Centre Ontario Ltd., Toronto, Ontario; Pierre DesMarais Inc., St. Laurent, Quebec; Ronalds-Federated Ltd., Montreal, Quebec; Gazette Canadian Printing Ltd., Montreal, Quebec; Montreal Lithographing Ltd., Laval, Quebec.

SUPPLY AND SERVICES—SPECIFICATIONS

Question No. 2,012—**Mr. Reynolds:**

1. Is there a function within the Department of Supply and Services that advises user departments or agencies how to tailor specifications economically and effectively?

2. What control does Treasury Board have in this area?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Advice to user departments and agencies on the development of specifications in particular subject areas is available from the Department of Supply and Services product centre that has the total supply management responsibility for the subject areas concerned.

2. The Treasury Board has no control nor direct involvement in this area.

SUPPLY AND SERVICES—REVOLVING FUND

Question No. 2,019—**Mr. Reynolds:**

1. Within what parameter does the "revolving fund" operate within the Department of Supply and Services?

2. How much money is allocated to the fund?

3. In what instance are amounts of monies exceeded over and above the limited amount?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The Supply Revolving Fund operates within the duties and powers set out in Section 5 of the Department of Supply and Services Act.

2. Seventy-five million as of March 31, 1975.

3. The limited amount is never exceeded.

CCGS "JOHN CABOT"

Question No. 2,078—**Mr. McKinnon:**

With reference to a Department of Supply and Services bulletin indicating that CCGS *John Cabot* is to undergo repairs under two contracts for a total of $2,399,600, is this 10-year old ship being re-engined at this early stage in her life and (a) if so, for what reason (b) if not, what is the nature of the repairs?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) No. (b) The work consists of repairs to propulsion machinery and auxiliary equipment resulting from an Engine Room fire.

POST OFFICE DEPARTMENT—PERSONNEL COSTS

Question No. 2,141—**Mr. Herbert:**

What percentage of the 1975-76 total budget of the Post Office Department is for personnel costs and benefits, including all labour and wage related items?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 72.2 per cent.

MOOSE JAW ARMOURIES RENOVATIONS

Question No. 2,192—**Mr. Neil:**

What was the total cost of the renovations recently carried out to Moose Jaw Armouries in Moose Jaw, Saskatchewan?

Hon. James Richardson (Minister of National Defence): The total cost of the renovations to the Moose Jaw Armouries is as follows: Replace heating system, $106,126; Washroom renovations, $31,342; Total, $137,468.

LEGISLATION PERTAINING TO GIFTS RECEIVED BY PRIME MINISTER AND CABINET MEMBERS

Question No. 2,210—**Mr. Cossitt:**

1. Is the Prime Minister aware of the United States legislation making all gifts to a President, over fifty dollars in value, the property of the state?

2. Will the government introduce similar legislation pertaining to Prime Ministers and Members of the Cabinet and, if so, on what date?

Right Hon. P. E. Trudeau (Prime Minister): 1. Yes.

2. Not at this time. The government might, however, reconsider this decision following the examination of the general question of conflicts of interest of Members of Parliament by the Standing Committee on Privileges and Elections to which I presume the hon. member will submit whatever constructive comments he may have to contribute.

COAL MINING IN YUKON AND NORTHWEST TERRITORIES

Question No. 2,217—**Mr. Clark (Rocky Mountain):**

1. Has the government established guidelines for the (a) strip mining of coal (b) underground mining of coal (c) liquefaction or other uses of coal in the Yukon Territory or the Northwest Territories and (i) if so, what are such guidelines (ii) if not, on what date will such guidelines be established?

2. What agency of the government issues permits for the exploration of coal in the Yukon Territory or Northwest Territories (a) what is the cost and term of each such permit (b) what conditions are attached to each such permit (c) what companies held such permits as of April 1, 1975?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Presently the Territorial Coal Regulations provide for the administration and disposition of coal mining rights in the Yukon and Northwest Territories. A complate revision of this legislation is now being studied and it is hoped that new regulations will be enacted within one and a half to two years. Coal Mining in both Territories is also subject to the Land Use Regulations as well as the Territorial Safety Ordinances. Land reclamation is also being studied and may be included in the proposed coal regulations.

2. The Oil and Minerals Division, Department of Indian and Northern Affairs, administers the disposition of coal rights in both Territories. A coal permit to mine a maximum of 100 tons of coal is issued on a yearly basis at a free of $1 and covers an area of one acre. The permit provisions are, more or less, made for individuals, municipalities, educational or religious organizations for the private use of coal. There are no existing permits in good standing in either Territory. Coal Exploratory Licences are issued for a period of three years for a fee of $10.00 on the conditions that the licencee will spend in exploratory work the following amounts: (a) first year—an amount by multiplying the number of acres in the licence area by 5 cents; (b) second year—an amount by multiplying the number of acres in the licence area by 10 cents; (c) third year—an amount by multiplying the number of acres in the licence area by 20 cents. Licences only grant the right to explore for coal within a designated area and production cannot commence until the licence has been granted a lease of a portion of the area (640 acres maximum). The following companies held permits as of April 1, 1975: Luscar Ltd.; Atlas Explorations Limited; Arjay Kirker Resources Ltd.; Master Explorations Ltd. (Manalta Coal); Arthur J. Sharpe (Manalta Coal); E. J. Panchysyn (Manalta Coal); Manalta Coal Ltd.; Welcome North Mines Ltd.; Ponjo Petroleum Ltd.; John S. Brock (Welcome North Mines); Echo Bay Mines Ltd.; John Zigarlick Jr. (Echo Bay Mines); Bert Savage; Jack Edgar (Bert Savage); Resoursex Ltd.; Guy B. Allen (Resoursex Ltd.).

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QUESTION PASSED AS ORDER FOR RETURN

MINISTRY OF STATE FOR URBAN AFFAIRS—TRAVEL EXPENDITURES

Question No. 704—**Mr. Stevens:**

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

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

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that all notices of motions for the production of papers be allowed to stand.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

CAPITAL PUNISHMENT

CABINET COMMUTATION OF COURT SENTENCES

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I move the adjournment of the House under Standing Order 26 for the purpose of debating a matter of grave concern requiring immediate and urgent consideration, namely:

1. That several convicted murderers have been sentenced to hang very shortly;

2. That, in certain defined circumstances, the Governor in Council has power to commute the death penalty;

3. That the application of this power may be exercised, as in the past decade;

4. That the Canadian Police Association and other police associations oppose the commutation of the death penalty, particularly where clemency has not been recommended;

5. That a recent study in the United States has proven that capital punishment is a deterrent;

6. That this matter is a grave and urgent matter because the Governor in Council must make a decision on at least one case tomorrow, and others soon.

Mr. Speaker: Order, please. In accordance with Standing Order 26 the hon. member has given the Chair notice of his intention to seek, under the emergency provisions of that order, to set aside a specific time for debate beyond the regular hours of the sitting of the House of Commons.

I have said before, on virtually the same subject on other occasions, that the emergency provisions pursuant to Standing Order 26 ought to be distinguished, or their use ought to be distinguished from those items which, in a regular legislative program of the House of Commons and regular legislative consideration, can come before the House by way of amendments to existing statutes, or in any case will come before it in other ways.

The importance of capital punishment and the timeliness of the topic is not denied. The fact of the matter is, however, that under almost no circumstances can a review of that law be regarded as an emergency provision rather than a continuing legislative concern of this House. In my opinion, therefore, it does not constitute a proper subject for debate under Standing Order 26.

GOVERNMENT ORDERS

[*English*]

THE SENATE AND HOUSE OF COMMONS ACT, THE SALARIES ACT AND THE PARLIAMENTARY SECRETARIES ACT

AMENDMENTS RESPECTING SALARIES AND ALLOWANCES

Hon. Mitchell Sharp (President of the Privy Council) moved that Bill C-44, to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, be read the third time and do pass.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I had expected that the minister would have endeavoured to explain some of the circumlocutions in connection with this matter that he indulged in on the other occasions that he spoke. That is not to be, however.

All the explanations given by him so far have about them an uncertainty that is difficult to comprehend.

I must tell you at once, sir, how I have missed the House. There is something about the drama of the House of Commons that has always had a magnetic influence upon me regardless of whether this institution touches the heights or sometimes the nadir of debate.

I have read *Hansard* day by day, and I find after my absence that we are back to about the same place we were when I left which indicates that, despite the changes in the rules, expectation is a long way from achievement. I intend to give my views. I am not carried away by sentimental considerations. I have an affection for this institution that does not dim with the years. I happen to be the only Canadian alive who is a member of Her Majesty's Privy Council, earlier called the Imperial Privy Council and today the Privy Council of the United Kingdom. Mr. Pearson, who passed away, left me as the sole Canadian survivor of an institution that has meant so much through the years to the unity of the commonwealth.

As one who has received an expression of views in respect of this bill I am not going to go into detail, but these views go right down to the schools of the nation which are asking themselves where this parliament is going. I received in the mail yesterday, as did many other members, a message from the Grade 13 students of Nepean High School on a matter which deeply concerns them. They said the real issue is what is happening to Canada. The letter reads in part:

> There is a frantic race for enormous increases in salaries and wages which, as the Governor of the Bank of Canada has pointed out, will give only momentary advantage until the resulting increases in costs push prices still higher and the end result is worse than the original condition—
>
> No labour union will stop, even our teachers will not, and now it appears that parliament will not.

The letter goes on to discuss the general situation of the inflationary trend. It reads:

> At the present rate the Canadian dollar will be totally wiped out in less than ten years. Is it the intention of the present generation to hand on to us, the rising generation, worthless savings, a wrecked economy and a complete barrier to our making our own start?

In addition to that there have been advertisements. I am going to read them all. There is one which one thinks the minister would answer. It appeared in Saturday's *Globe and Mail* and is entitled "Ouch." It sets out in detail what will happen in respect of pensions. It speaks of retirement with security for life, at 40. It shows that at the end of year ten after this plan is to come into effect, excluding the amount on which income tax is not payable, a member's salary will be $53,675.95.

• (1510)

Many here do not appear to realize that public opinion has been aroused as I have never known it to be aroused before. I am speaking because I am concerned. In the United Kingdom parliaments have been called various names. One such parliament was called the "Breeches Parliament," and another the "Do Nothing Parliament." I only hope that this parliament, because of what is taking place, will not be known in history as the "Golden Fleece Parliament."

I realize that all around me are those who disagree with me. I do not expect others always to be in accord with the views I express, because that is the essence of parliament. Speaking as an ordinary member of parliament having no responsibility or position here, I find it difficult to understand how a political party, which ran an election in May, June, and up to July 8 last on the basis that what was needed to save this nation was a freeze in prices, wages and incomes in general, should now change its position.

Things are much worse today, much worse than they were then. When the Leader of the Opposition (Mr. Stanfield) advanced that concept, I did not like it. He described it as a price freeze. Speaking on behalf of the Conservative Party I said, on May 8, in the constituency being contested by Mr. Madill, that "if the party stands on this price freeze policy without utilizing the other seven or eight devastating criticisms which can be used against the government, we will freeze out one million votes." I will not say it would have been different, but I do say this: if we were right in April, May, June and July of 1974, are we not right today?

What is the position? Have things improved? Has inflation been controlled? Two and a half years ago the Prime Minister (Mr. Trudeau) announced with great bravado—he was in this country—that he had great news for us, "Inflation is no more." Last June he said, "Well, there is some inflation, but if my government is returned, I will wrestle it into the ground." I have not noticed many falls since last July.

Go across this country. Speak to the average Canadian. He is deeply concerned and disturbed over the way things are going. There is loss of confidence in our society. Watergate has contributed to that, even though our system comes under the monarchy. If Nixon had been a prime minister under the monarchy, he would have been out as soon as the earliest revelations were made.

People are asking, what is parliament doing? What has it done? Today we heard the sorts of answers given by the President of the Privy Council (Mr. Sharp) and one or two other ministers. They say, "We are looking into it." There are strikes in Montreal. The law is being totally defied. And what is the government doing? This is not restricted to Montreal. There are other cases across the country. And what is the government doing? The law is broken. Parliament made an order, and what has been ordered is decried and defied. And the government, in its gutless way, answers, "We are looking into it." The Minister of Justice (Mr. Lang) looks utterly pious when he says to this House, "We are looking into this." Well, look into it, look into the absolute defiance of the law, and the total disregard of an order of parliament.

Sir, parliament is under suspicion. The use of lewd words in the House nas not added to the dignity of the institution. I suppose this has become part of our way of life. Sir, today I am speaking in a way which is not acceptable to many of my colleagues. I have been in that position before. I think back to 1963, to the condemnation heaped on my government in connection with its devaluation policy and its stand with respect to the propogation and extension of nuclear weapons. Some said that position was heresy. It is not so today. These things today are accepted. Successive Liberal governments have continued that devaluation which greatly increased our trade. They kept it for six or seven years. When they got rid of it, our trade was greatly reduced.

I cannot understand the minister. He is an experienced man. He held a top position in the civil service; possibly that is why he is uncertain. The barrenness of his explanation of the 50 per cent increase proposed originally is almost unbelievable. Public opinion was aroused, and the alternative proposal was brought in. In some ways the alternative is worse than the original. This question has been dealt with; I will not repeat the arguments which have been advanced.

Sir, it strikes me as passing strange that the reason given for this legislation is this: it was felt that members were receiving insufficient reward for their services. When I and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) first came in the House, we had $4,000 a year. I came in during the days of war. We had none of this ancillary assistance which now costs added thousands of dollars. But today there is a demand for more, and the explanation given is this: the government wants to assure the average member a reasonable compensation for his work. I agree with that. I agree to this extent—there must be an addition to meet the increased cost of living. We should not find ourselves discriminated against.

• (1520)

This increase is 33 per cent. Never in our history have we had as many labour strikes as there are now and have been in the past few months. In 1974, 93 million working

days were lost in Canada, three and a half million more than in 1973. We have the highest labour strike situation of any country in the world with the exception of Italy.

Wage demands go up and up. I can understand that as living costs go up. On the other hand there are corporations that are making unconscienable profits. There is open season on the Canadian consumer. The Combines Investigation Act is only touched. There has been no action by this government that was going to wrestle the problem.

This is supposed to benefit the private members. Most of them are having difficulty here with their families. I then ask why this bill provides the most terrific increases for the Prime Minister and the ministers of the Crown. This is their own legislation which they have introduced. It is a bill for which the government is responsible.

Surely ministers of the Crown have a solicitude for the average Canadian. Charity begins at home. Why, in addition to the regular increase in indemnities, have they added an extra $15,000 a year for themselves? Why that? Is that to benefit the Canadian people? Is it because the various ministers who constitute this government are irreplaceable at present rates? I have only to ask the question to get the reply.

Is this participatory democracy? It certainly is participation in a grab by the ministers, from the Prime Minister on down. I can just see them sitting there saying, "If we can get some kind of agreement with the opposition, find out what they think, we can bring it in and slide in an extra allowance for ourselves."

I think this is a wonderful government. I think any government is wonderful that has members connected with some departments for which they are totally unqualified, and I would have no difficulty in filling those names in. They will receive $15,000 or more a year in addition to the increased indemnity.

I was away when this legislation was brought in, but I made my position very clear the next day. The minister who is responsible smiles. I do not blame him. I can just see his eyes brightening as he sees this additional amount which is retroactive to July 8. What an example for the Canadian people. There was no inflation. There is now. The government said it would wrestle it, but nothing whatsoever has been done to bring about any restoration of a reasonable price in our country.

What about the Conservative party? As a Conservative I find it hard to understand. This party raised the standard all over the country, "Inflation is destroying us." The leader was right. A few months later this party, with the exception of a few I am going to refer to, joined together with the government and other members in the House to bring about a situation that can only add to the fires of inflation.

[Mr. Diefenbaker.]

Everywhere across this country the working man will say, "You complain when we ask for a 35, 40 or 50 per cent increase. What about the parliament of Canada, the custodian of the Canadian conscience?" What about it? How they rushed in order to secure the benefits and emoluments of a vast increase in indemnity!

I mentioned the freeze policy a moment ago. This salaries' policy means that gasoline will be added to the fires of inflation everywhere in this nation, for what parliament does, why should labour be denied? I simply ask it.

Is the parliament of Canada to become the pacesetter of salaries? The President of the Treasury Board (Mr. Chrétien), who has done very well in his position, said the other day that the government must not become the pacesetter of salaries. He said Canada will not go bankrupt as a result of pay raises for civil servants, but the government must avoid becoming a pacesetter for industry. To me, it is beyond anything that this party would permit itself to support. It will simply add to the fires of inflation everywhere in the nation.

This legislation is inflationary. It is also imitationary. Unlike other Prime Ministers who preceded me, and I am not speaking of them in any disrespectful way, I have no wealth. When I pass away, no part ever having been removed and no assistance having been given at any time to me by any fund, it will amount to about 12 per cent of the lowest of the amounts of the last three Prime Ministers.

Provision was made that former Prime Ministers should be entitled to a pension. That was brought in by the Pearson government. Then there was a little addendum. Every other country in the world said a pension is paid no matter where its out going Prime Minister goes. In Canada provision was made that it should not be paid so long as a person remained in politics or in public life. Isn't that a strange situation?

Members of parliament are in a secondary position with regard to the Order of Canada. I will never have that order, so I am not speaking as one who will be included. The only people who are excluded, with the exception of a very limited number, are members of parliament. They do not have that practice in the United Kingdom. Why do they have it here? Civil servants have said that those who contribute to their country in the House of Commons or the Senate shall be denied any award. There is discrimination on every hand.

I followed the debates here. I built up great admiration for many who sit in opposition. I know it may be unusual to say so, but I am thinking of the hon. member for Winnipeg North Centre (Mr. Knowles). He came to parliament in 1942, I think it was in December. After the election of 1958 there was a hiatus—he was out for a period of almost five years. The stand he has taken in this House on this issue will live for a very long while.

• (1530)

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I say that with deep admiration for those who stand, and sometimes with a feeling of deep compassion for those who don't. It was his greatest hour. I was very surprised, when he brought up the question about those amendments which were made in the Standing Committee on Miscellaneous Estimates, that any of our people would argue that those amendments could be made in derogation of every principle of parliamentary government.

I cannot go further than to say that the ruling made by Your Honour adds lustre to the Speakership in this country.

I shall not get applause for saying these things, but there is a day coming. Do not say the people of Canada will forget. To me, it is difficult to understand.

I look over the vote. Everyone is entitled to vote as he pleases. I do not think sufficient attention has been given to those who stood. While I was abroad I endeavoured to find out through the press which members stood against the bill. All I could find was that some 17 members did so. I think honour should be done to those members in my party who took their stand.

I am told there was consultation. Mr. Speaker, they never came near me—they would not take the chance. Never a word! I have been in parliament for 35 years and I love the institution. Not once was any suggestion made to me that the party would take the stand it ultimately did. Every honour should be given to those who opposed this bill, for example, the hon. member for Calgary South (Mr. Bawden), the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty), the hon. member for Leeds (Mr. Cossitt), the hon. member for Parry Sound-Muskoka (Mr. Darling), the hon. member for Pembina (Mr. Elzinga), the hon. member for Surrey-White Rock (Mr. Friesen), the hon. member for Don Valley (Mr. Gillies)—one of the greatest economists in the country. I continue: the hon. member for Medicine Hat (Mr. Hargrave), the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), the hon. member for Capilano (Mr. Huntington), the hon. member for Kingston and the Islands (Miss MacDonald), the hon. member for Victoria (Mr. McKinnon), the hon. member for Esquimalt-Saanich (Mr. Munro), the hon. member for Annapolis Valley (Mr. Nowlan), the hon. member for Hamilton-Wentworth (Mr. O'Sullivan).

Isn't it interesting that the two youngest members of the House should have taken that stand—the members for Hamilton-Wentworth and for Wellington-Grey-Dufferin-Waterloo? Then there was the hon. member for Red Deer (Mr. Towers), and the hon. member for Okanagan Boundary (Mr. Whittaker).

I shall not stop there. I shall refer to others. The hon. member for Davenport (Mr. Caccia) showed he had courage; he does not run away from things; when there are difficulties he does not go to Europe; when his party is in difficulties he does not disappear as some did in 1963. Then there were the NDP members—the hon. member for Regina-Lake Centre (Mr. Benjamin), the hon. member for Greenwood (Mr. Brewin), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Winnipeg North (Mr. Orlikow), the hon. member for Timiskaming (Mr. Peters), the hon. member for Waterloo-Cambridge (Mr. Saltsman), the hon. member for Sault Ste. Marie (Mr. Symes). Sir they stood.

Now I go back to 1963 when Mr. Pearson, following the election, decided to get support from the other parties and bring in a measure to increase the indemnity. I have made it clear that I would have no objection to an increase equivalent to the rise in the cost of living—none whatever. But I would stand to the end against back-dating it to election day, months and months before. Just imagine the grab-bag. Thousands of sheckels! How many of you were conscripted? How many of you said there should be an increase in the indemnity? There was not a word said by the Prime Minister of Canada on that subject. Things are worse today than they were then. The first thing I say is this: whatever the increase might be, it should not apply until the next election so that the people might have a word to say regarding it.

Now I shall quote from a statement I made in the House of Commons on July 29, 1963. The person to whom I was referring said:

> My position, in a word, is this: I think the indemnities should be increased, and that the salaries of the ministers and of the leader of the government and the allowance to the Leader of the Opposition should be increased. I express myself more freely in this because what I say in regard to the salaries of the ministers, I wish to apply equally to the salary of the Leader of the Opposition. I think that while these increases are justifiable on the merits of the case, they should not take effect during this parliament but should come into effect after a general election, when the country has had an opportunity to return to parliament members in whom it has confidence under the new legislation as passed.

Do you know who said that? It was William Lyon Mackenzie King who, until recent years, was regarded in Liberal circles as worthy of credence and worthy to be followed. He said that on June 29, in the year 1920. I adopt his views. It is nothing new to accept them. They represent a principle which must be accepted. Otherwise, what does it mean? We go through an election. We raise our standard, endeavouring to change the government because of inflation and the failure of the government to act. Then, lo and behold, the negatives of May, June and July become the affirmatives of today. To me, that is difficult to understand.

Naturally people ask: what about yourself? Well, I have never accepted the old age pension because the contribution made by me at the time I became eligible was so out of proportion to the amount I would receive that I refused to take it.

Second, in 1963 I returned over $12,000, being the amount of the increase which would be in effect until the next election. Because I believe in this institution, I suggest to the members of the government party that they follow the same course, even though the Prime Minister and his cabinet made the recommendation that these vast increases should be given to them.

• (1540)

I do not want to take very much longer; I simply ask,

where are we going? I have studied this bill, and the Prime Minister will get about $79,000. That is not peanuts even for a millionaire.

Mr. Knowles (Winnipeg North Centre): It is $69,000.

Mr. Diefenbaker: Yes, $69,000. Then we are to be given a 7 per cent increase each year to cover inflation. This means that the government believes that we will be in this inflationary trend for some time, and we will as long as this government is in power. In a period of ten years, according to the estimates of economists, under this plan the Prime Minister will be securing $156,585. Where is the government wrestling inflation? There is no answer.

Let me go back to the days when I was Prime Minister. We had to pay $5,000 a year rent for 24 Sussex Drive; that is to say, Mr. St. Laurent did, I did when I followed him, and Mr. Pearson did after me. This rental payment has been done away with. Neither did we have any armoured dreadnoughts; we supplied our own cars and received the same amount that all members of the cabinet received—$2,000 a year. We had to pay part of the chauffeur's fees and allowances, because part of the time he did some work around 24 Sussex Drive. When I went on holidays the Government of Canada and the people did not pay the expenses. I suppose that was wrong, but that was our idea of responsibility. We kept the expense of operating 24 Sussex Drive down to a few hundred dollars.

This government is profligate with the Canadian taxpayers' money. I need only recite some figures that have come out to tell the story clearly. There have been fabulous expenditures to make the Prime Minister's office attractive so that a person with artistic taste will feel at home. In 1970-71 the total expenditure on the Centre Block office was $1,042. It was one of the finest offices in Canada. The President of the United States came here and said what an attractive office it was. But in 1971-72 renovations cost $28,319 and refurnishings $41,733, for a total of $70,000.

Just what is going on? Whose money is this? By 1974-75 the total amount spent on renovations was $45,907 and on refurnishings $41,838, for a total of $87,745. What does this mean? When the cabinet spends in this way, there is encouragement to all parts of Canada to do the same. As far as the East Block is concerned, very little has been spent; total expenditures from 1968 to 1975 amount to only $6,000 odd.

I come now to 24 Sussex Drive. I am told that some would like 24 Sussex Drive to have all the attractiveness of an Arab sheik's home. The total amount spent on renovations and refurnishings between 1968 and 1975 is $286,503, comprising $199,146 for renovations and $87,357 for refurnishings. Were these expenditures ever discussed in the House? They were not, because there is no control today on the part of the House of Commons over expenditures—though there is some hope in some of the changes that you, Sir, have in mind.

I now come to Harrington Lake, the summer place. During my period of office we saved it, and I think total expenditure was about $50. But since 1968 the amount spent on renovations has been $20,953 and on refurnishings $4,608, for a total of $25,561. Such an orgy of expenditure on the part of the leader of a government leads to a looseness that has no regard to the effect it has on inflation within the country.

If there is any doubt up to now about what I have in mind, let me say I intend to vote against this bill, and to do so proudly. However, I know the bill will carry because of the silence that accompanies my remarks. Truth hurts, Mr. Speaker. It sometimes takes a long while to travel to some minds, but truth does hurt. I hope that at this time there will be a realization of what this bill is going to mean. No one need tell me that the Government of Canada had in mind the interests of private members. In giving them an increase, the increases for ministers of the Crown are out of all proportion, and for the Prime Minister it is totally unjustified.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on third reading in this debate to do two things. One is to pay tribute to one particular member of the House; the second is to state briefly our reasons for opposing this bill and to outline an alternative salary increase which we think would be justified.

Before I do that I want to point out that I deliberately waited in my seat for a few seconds to see whether the Acting Prime Minister (Mr. Sharp) would get to his feet to reply to an extremely serious and, if it is not inappropriate for me to say so, extremely able speech by the right hon. member for Prince Albert (Mr. Diefenbaker). Today we heard a former Prime Minister of this country take part in a very important debate in terms of its real and symbolic significance in the country, yet we have heard no reply on the part of the government to the serious points raised by that right hon. member. Obviously the Acting Prime Minister and other Cabinet ministers have decided to sit the whole issue out.

● (1550)

Yesterday we were at the report stage of the debate, and no minister of the Crown spoke even to the government's own amendments. They were introduced and moved without any speeches to justify the position on what is, after all, a government bill. I hope this afternoon to hear a minister of the Crown, particularly the Acting Prime Minister, outline as best as can be done the government's justification for this bill, and also respond to the serious points raised by the right hon. member for Prince Albert. Surely it is an ultimate admission of shame on the part of the government if ministers do not reply to that right hon. member's serious contribution in this House, a contribution, if I may say so again, by a former Prime Minister. If that speech is totally ignored, surely that is the ultimate condemnation of the government's position on this bill.

In the course of my comments at this third reading stage I want to make two points. I want to pay tribute to one of the most distinguished members in the history of the House of Commons, and he does not know I am going to do this. I refer to the hon. member for Winnipeg North Centre (Mr. Knowles).

I would say this of any member of any party in this House who had provided the kind of parliamentary leadership that has been provided in respect of this issue by the

hon. member for Winnipeg North Centre. The House has rarely witnessed a performance by a member, on any issue, such as that displayed by the hon. member for Winnipeg North Centre. That hon. member was deeply moved and deeply committed in respect of this issue, and in respect of which he so ably demonstrated his knowledge of the rules and procedures of this House. His contribution grows out of a basic commitment to equality and a basic sense of redistributing income in our country in an equitable way. Arising from that commitment was an opposition to an unjustified level of increase as provided for in this bill.

The hon. member added to his contribution a profound knowledge of the rules of this House. This combination of commitment and knowledge of procedure enabled him to provide us with what I think is one of the finest contributions ever made to any debate in the history of this House. I want again to pay tribute to that exceptionally fine member of parliament.

The NDP has opposed this bill basically because the amounts of money are simply too much. That is really what is at stake here. If we take the increase for members as a whole we find that we are going to get an additional $8,600 in one shot. I would ask you, Mr. Speaker, and hon. members of the House, to keep in mind that the average income of the average family, not just the poor families in Canada, was below $8,600 last year. Here we are providing ourselves with an increase in one lump sum that exceeds the total income of the vast majority of the population of this country.

Surely this is what is moving the people of our country from coast to coast to a profound opposition to the MPs' salary bill. It is not that the people of Canada object to any increase. The people of Canada at all income levels were quite prepared to say that members of parliament who have not had an increase since 1971 are entitled to some reasonable increase. What they are not prepared to concede, and what my party is not prepared to go along with, is that we are entitled to an increase of $8,600 across the board, an increase which, I repeat, exceeds the total level of income of the vast majority of Canadians.

It is on that general ground of inequity that the NDP in this debate has opposed the bill. We opposed the original proposal before Christmas, the proposal brought back some 48 hours later, and we oppose the final version of this bill we are now debating.

It has been our position that members of parliament should set some kind of example in terms of the distribution of income in Canada. It has also been our position that an increase was justified, but only an increase on that part of our income other than the non-taxable portion. That is, we take the position that an increase is justified in respect of the $18,000 but not in respect of the $8,000. We take that position for two reasons. We want the increase to be a reasonable one which bears directly and exclusively on the increase in the cost of living since 1971.

We have put forward arguments showing that the expenses the $8,000 tax exempt portion was intended to cover have been provided for in recent years by other means at public expense. These means were outlined by myself at earlier stages of the debate, as well as by other members of my party. There is no justification at all for an increase in that $8,000 part of our income. We are prepared to say that an increase of the $18,000, equivalent to the increase in the cost of living, would be justified, but even that, from the point of view of equity, could be argued against.

We believe in the principle, which I think would find acceptance in the country, that the people in Canada who are at the upper income levels, and have been for many years, should be prepared to say they have had enough and will wait for any future increase until the average and the poor of the country catch up. If we apply a cost of living increase only in respect of the people at our income level then at least we will not experience a decline in our standard of living, and we will be able to go on living as well with our families as we have in the past, and the benefits accruing from the increase in our productivity can be passed on to the people in the lower income levels. In this way we can provide an opportunity for the poor to get out of that status of poverty in which so many people are living today.

It is the failure on the part of members in supporting this bill that has caused my party to be most disturbed. We are not indulging in self-denial, but we want to indulge in some self-restraint in the hope of setting an example to the people in private industries and at other government levels. Those of us in the upper income positions who are, relatively speaking, wealthy, ought not to be getting more and more as long as we have so many people living in poverty, and as long as we have an inequitable distribution of income.

The second point that has led us to oppose this bill is related in part to the same point. It relates to the government's incomes policy, or the so-called consensus. This has been labelled differently at different times. We know we are to have a budget before the end of May, and we know the government has been meeting with representatives of the trade union movement, representatives of provincial governments, and representatives of the private sector.

● (1600)

We know the government has made some proposals in respect of some kind of an incomes policy. It has been difficult to obtain details of those proposals, but there are certain basic assumptions one must make about them. I should like to suggest an assumption I made. If there is to be substance to this incomes policy it must set a limit in terms of guidelines in respect of increases in salaries which it thinks will be acceptable to the economy as a whole.

Probably the government will take a certain percentage level of income and tie all future incomes to that percentage and/or it will take some fixed amount. It might say that there may be increases up to a certain level, and place a ceiling on an appropriate dollar figure, or it might even have a floor level and say that no increases should fall below a certain amount. If that kind of policy is to have any relevance at all as a guidelines instrument in Canada, it cannot provide guidelines that would establish within their framework this kind of increase that the members of parliament are now voting for themselves.

The government cannot say to the people of Canada as a

whole that they are entitled to a 33⅓ per cent increase now, with a constant 7 per cent increase on top of that each year indefinitely in the future. If it does that the policy will have no relevance as an anti-inflationary policy, assuming such an approach has validity in the first place. I am saying that we have in this legislation a wage package, a salary proposal, for ourselves as members of parliament, which will far exceed any kind of proposal the government will introduce in the next few weeks and want the rest of the people of Canada to accept. I say that that amounts to a kind of hypocrisy. It really amounts to saying, "Let us provide for ourselves now very abundantly before we tighten the belt for everyone else in the country." I say that kind of policy is not leadership at all, but is just the opposite.

I wish to conclude on that note. My party, I believe, has fought a good fight on this measure. With the exception of one or two members, who in good conscience disagree with us, on the whole our party by an overwhelming majority has been opposed to this measure because we do not think it is equitable or shows the kind of economic leadership required in this country, and which the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner) have been called upon to give. I think it is a bad bill and will vote against it at third reading.

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to place briefly on the record the reasons why I cannot support this legislation. To me this is not a case, and it should not be a case, of whether members of parliament need an increase in salary. Instead, it should be an occasion for parliament to set an example for the Canadian people. It should be an occasion when parliament, in the interests of the country, and at a time when the cost of living is galloping forward completely unrestrained, puts first and foremost on its agenda the setting of an example in restraint.

If parliament, despite its personal needs, cannot set an example for the Canadian people then, Mr. Speaker, who on earth can do this? If parliament goes to the public till to draw out more funds for itself, then how can we ask others across the country to keep down their demands in the interest of bringing inflation under control? How can one support this bill when old age pensioners are crying out against high prices and their inability to buy some of the ordinary every-day things that so many of us take for granted? How can one support this bill when we know that one of the most important things is for government expenses to be curtailed, and yet parliament is prepared to do just the opposite for itself?

The government has failed utterly in its approach to attacking the problems of inflation, and it has failed utterly in its approach to the curtailment of government expenses. It is essential that first things should come first, to make use of an old saying. By dealing with this legislation we are most certainly not placing first things first. The first thing we should be doing is taking measures to slow down the rapid growth in the cost of living, and when we have progressed well along such a road then, and only then, would be the time for parliament to look at the matter of its own salaries.

I have been surprised to note in the press on several occasions that some members of this House have said they have received no complaints on this legislation from their constituencies, or perhaps it is the fault of the deteriorating mail service. I have found that this is one subject which concerns the people of this country far more than many other subjects. I have received, on this subject, far more mail and telephone calls than on most other subjects since I was elected a member of this House.

I should like to read for the record some excerpts from letters I have received both from my constituency and elsewhere. One gentleman from Gannanoque included in his letter this most appropriate expression and question:

> I ask you how you can conscientiously vote for this pay increase in your salary when there are so many poor in Canada who need help, and will this not contribute to inflation?

From another constituent in the city of Brockville we have these words:

> When industry and labour is being asked to exercise restraint, when Canada is in the midst of very serious inflation, how can you seriously consider a one third increase in salaries for Members of Parliament and indexing them for the future in such a way that the increase in the next few years will amount to far more than the original proposal of fifty per cent?

Another letter I received contained these somewhat emotional words:

> Surely to God there is some semblance of decency left in the House of Commons. Surely the aged and the less fortunate should not be forced to suffer in misery and silence while Members of Parliament stick their hands in the public cash register.

Another letter read:

> My own personal view is that all members knew the pay structure when they decided to stand for election and it seems like dirty pool to then turn around and look for an increase in pay immediately.

Another letter contains the following paragraph:

> I can think of no measure that any government could take that would invite run-away inflation that would be more effective than this legislation on salaries. If this bill is passed and if it receives the support of all parties, then one must reach the conclusion that the whole parliamentary operation is a charade.

There are many other similar phrases in other letters I have received. I am sure they are nothing more than an echo of the letters received by probably everyone on every side in this House.

I should like to read one final quotation from a letter which I think puts the situation quite clearly:

> Mitchell Sharp's arguments are full of holes and resemble a sieve. This apparent lack of good judgment on the part of the government is something I protest in the strongest possible terms. The very thought of our elected representatives considering such an increase in these times of economic distress leaves me saddened and disillusioned.

I think the last word in the sentence that I have just quoted says it all. That word is "disillusioned". The people of this country have expected something better from parliament than what has been received. The people of this country expected us to set an example here in Ottawa and to press that example forward across this country by following it up with measures to really fight inflation. The government has not done that. Anything short of this in my opinion is shirking our responsibilities to the Canadian people and abandoning our principles.

Previous speakers have dealt with particular items in this legislation that are disagreeable and, rather than repeat many of the arguments already stated, I would simply like to comment briefly on two particular points.

The first is that the retroactive clause seems to be badly out of place. I do not believe that this legislation, when passed, should be made retroactive to last July 8 because we all knew at the time of that election exactly what the salaires would be, and if we did not like those salaries we did not have to become candidates in the last general election. If parliament insists on an increase, I think it should equally insist on applying the increase as of the date the legislation is passed, and not last July.

● (1610)

Another feature of this bill which I find disturbing is the fact that it applies increases to the salaries and expense allowances of members of the Senate. If it is difficult to accept the idea that this is the proper time for members of the House of Commons to increase their salaries, I suggest that it is impossible to consider this an appropriate time for members of the Senate to receive similar treatment.

With the greatest of respect for the dozen or so Senators who actually do a day's work, I must honestly say that the Senate seems to be nothing more than a worn out appendix still attached to the body of government, which has so long escaped necessary surgery. To avoid such surgery, and to go even further and say that we should pay higher salaries and increased expense allowances to the Senate seems to be not only utterly unjustified but completely ridiculous.

The Senate has become a pasture for the sacred cows of the Liberal Party. The present government has followed the practice of appointing to the Senate worn out members of the cabinet, Liberal Party bagmen whose successful collections on behalf of the party must be rewarded for their services, apparently at government expense, and defeated Liberal candidates who, despite the fact that they have been rejected by the voters, must somehow be retained on the public payroll as a reward for services rendered.

Should we really be considering raising salaries and expense allowances of a group composed predominantly of persons in the categories to which I have just referred? What work does the Senate do, for which it is entitled to any raise? Indeed, if one were to measure the work and the importance to this country of the Senate, it would seem that a heavy salary decrease should be applied or, better still, the institution simply should be allowed to fade into history.

Before departing from the subject of the Senate I would like to add that I do not in any way mean to insult or criticize in my remarks those few members of the Senate who do perform some service to that body and to Canada, but that number of Senators is limited. Indeed, since I came to this chamber in 1972, a period now approaching three years, I have found that it is a rare day you actually see a Senator in the flesh. Now and then one or two are visible here and there, but it almost seems to have come to a situation where those who come into the Centre Block on guided tours should specifically ask the guides to point out a living Senator, if they can find one. Indeed, if they do manage to glimpse a Senator passing by, I suggest that they should remember the occasion because they will have seen a species which, for all practical purposes, has become almost extinct.

I have heard the argument advanced that this House must include in the bill raises for the Senate; otherwise that chamber will not pass the bill when it clears the House of Commons. Surely this is a very poor excuse, and indeed if the Senate were to turn down such a bill by this House, it would force the logical and inevitable final decision which must some day come. Only the elected representatives of the people should be making the decisions which govern this country, and such decisions should not be subject to the approval of those who are responsible, in most cases, to nobody and, regrettably, in many cases only to their godfather, the Liberal Party of Canada.

I have listened with great respect to the words this afternoon of the right hon. member for Prince Albert (Mr. Diefenbaker). He has spoken out clearly and forthrightly against this legislation, and his voice in many ways has been the conscience of parliament because he has said publicly what so many sitting here think in silence. To speak out is not popular, but surely none of us come here to win popularity contests.

An hon. Member: You have, Tom.

Mr. Cossitt: I recall the words of our Prime Minister (Mr. Trudeau) on May 27, 1974, in Etobicoke, Ontario, when he said that he would wrestle inflation to the ground. The wrestling match has never begun, and now it appears that it never will. Perhaps the Prime Minister has revised his statement and now says that we should all raise our salaries first and look at the problem of inflation later.

While the Prime Minister collects fancy $80,000 Cadillacs, thousands and thousands of dollars worth of antiques, and a lavish and luxurious swimming pool at the expense of Canadian taxpayers, the government asks parliament to follow his horrible example by thinking of ourselves first and placing the Canadian people and their serious economic problems last.

A few moments ago the right hon. member for Prince Albert mentioned some of the expenses our Prime Minister has accumulated at taxpayers' cost, and I would like, as a small footnote, to add an answer to an order paper question which I received just this afternoon in regard to Harrington Lake, which shows that the latest expenditures just for this current year by the Prime Minister at taxpayers' expense on his summer cottage total $47,749. There is included a contract of $17,000 for something, and I wonder what. This extravagance, in face of the need for restraint and the need to fight inflation, is typical of the government and something which we should all feel is reprehensible.

In conclusion, as I said a few moments ago, to speak out on this matter is obviously not a popular thing to do, but I believe it is the right thing to do. If the provisions in this legislation were reasonable and this legislation had been brought in for consideration after the problems of the people of Canada had been dealt with, it might be possible to support it, but in all conscience the provisions of this bill are too extravagant, and they resemble too much of the "let them eat cake" attitude of the Prime Minister and the present Government of Canada. They are provisions

which no member in his right mind can seriously support. For that reason I can do no more than, having registered my vote on second reading against this bill, speak against it and vote against it on third reading.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would be something less than human if I were not extremely grateful to the right hon. member for Prince Albert (Mr. Diefenbaker) and to my leader, the hon. member for Oshawa-Whitby (Mr. Broadbent) for their very kind words this afternoon. I extend my very warm thanks to both of them. It was a pleasure for me on Monday to join in the applause when, from the Chair, a welcome back to this House was extended to the right hon. member for Prince Albert. Some of us are happier than others to see him back.

We seem to be just about at the end of this debate, and as one who has spoken a number of times, I do not intend to make extended remarks at this stage. However, I would like to emphasize the point that the issue with respect to this pay raise bill is not whether as members of parliament we need an increase. The issue is not how our incomes compare with the incomes of other persons in Canada, be they in the public or the private sector. The issue at this time is the leadership that parliament gives to a country which is experiencing a time of trouble.

● (1620)

There is no denying the fact that we are in trouble, particularly in the economic sphere. If there is anything that is needed now from the leaders of the country it is leadership in the economic sphere, and we do not give that leadership if even before the Minister of Finance (Mr. Turner) brings in a budget and makes certain proposals, we protect ourselves by the kind of increase that is set out in Bill C-44.

I say again, Sir, that the issue is not whether we need more salary or more expense money; the issue is the kind of persons we are. Are we here to act on the basis of principle with respect to the needs and the problems of our people, or are we persons who, having come fresh from an election, are prepared to push through a measure that is in our own self-interest? Our job is at least to set an example, and this House is setting a wrong example if it gives final approval today to Bill C-44.

This was an offensive and indecent piece of legislation when it was brought in last December with the proposal for a 50 per cent increase in both our salaries and our allowances. I suggest, as I did yesterday, that in addition to being offensive and indecent this measure is now becoming a piece of dishonesty. The word has gone out that members of parliament were prepared to cut back from a 50 per cent increase to an increase of 33⅓ per cent. But there is added to that 33⅓ per cent increase retroactive to last July a formula under which, starting January 1, 1976, there will be compounding increases of 7 per cent per year, so that by the end of this parliament what we draw will be 63 per cent more than we are receiving at the present time.

This is not setting an example. That is not giving leadership. This is being dishonest with the people who sent us here to represent them.

[Mr. Cossitt.]

I have pointed out that there are a number of things about the legislation, especially in its amended form, that I dislike very much. I refer again in particular to the long battle that some of us have waged for pensions and other benefits, particularly pensions for senior citizens, retired public servants, retired armed forces personnel and RCMP personnel and for veterans generally, to be escalated in accordance with the rise in the standard of living. The best way to do that is to adopt the industrial composite index. But we have been turned down every time, Mr. Speaker.

All of these other groups have to settle for an escalation based on the consumer price index. The escalation is set up in such a way that all of these other groups are always behind—yes, Sir, even behind the rise in the cost of living. What the government is not prepared to give to everyone else, this House is prepared to take for its own members and the members of the other place, for this bill applies to our salaries and expense allowance the benefit of the industrial composite index which pensioners are denied.

Sir, I find this offensive, I find it indecent, I find it degrading to the status of those who were elected to do the business of the country and to meet the needs of our people. Those needs today are great, the problems to which we should be addressing ourselves are many, and I hope that even yet, especially after the appeal made today by the right hon. gentleman from Prince Albert, this House will agree that this matter should be put off at least for a while if hon. members are not prepared to turn it down completely.

I regret that so little has been said on the government side of the House in this debate. All day yesterday we had the report stage debate, and with the exception of the hon. member for York-Scarborough (Mr. Stanbury) who was critical of the bill, there were no speeches from the government side at all. There has been no defence yesterday or today of the terms of this bill. There is no effort even to fight back as we attack it. Is that parliament? Is that leadership? Is that the cut and thrust of debate, trying to decide what is best for the country? No, it is just a case of scores of members sitting and waiting for this extra money to fall into their laps, plus the escalation that will come in the years that lie ahead.

We presented several amendments yesterday. We tried to get the House to consider the retroactive date, the exact amount, the question of the future escalation, but all those amendments were turned down. This House seems to think of only one thing—when can this bill be got through, when are the cheques of hon. members to be fattened by the amounts set out in this legislation?

So, Mr. Speaker, I hope that even yet if this House is not prepared to say no to the bill, it will agree to put it off for a little while. That implies that in just a moment or two I am going to move an amendment generally known as the six months hoist. I do that today with particular emphasis because of the fact that the Minister of Finance has announced that he will be bringing down a budget within the next four weeks. Presumably, and I think it is a reasonable presumption, the speech attached to that budget will deal with the problem of inflation and what to do about wage levels and incomes policy.

An hon. Member: Don't hold your breath.

Mr. Knowles (Winnipeg North Centre): My hon. friend

says not to hold my breath. He may be right—the Minister of Finance may not come up with much to solve these problems, but I suspect there will be suggestions in that speech as to what Canadians generally should do. If there are going to be proposals to Canadians generally on what they should do regarding their incomes, Mr. Speaker, in all decency, in all honesty, we should wait. I do not think there is any formula for a one month hoist or I would move that, but let us not have any procedural problems at this point. That is why I am going to move the six months hoist.

Before I do so, Mr. Speaker, and I am just at the end of my remarks, I want to say again, as I have tried to say several times, that one of the main reasons some of my colleagues and I have fought so hard about this legislation is that the thing we most dislike about Canadian society is the inequality that there is in it. When we hear of attacks on that inequality by the Prime Minister (Mr. Trudeau) overseas, and by the Minister of National Health and Welfare (Mr. Lalonde) in Toronto, we applaud. Many of us came into this place, came into a political life, because we wanted to do something to lessen inequalities, to create a greater chance for equality of life for all of our people. We do not achieve that when we use our position to put ourselves in the top 2, 3, 4, or even 5 per cent of the income earners of Canada.

This bill runs directly contrary to the social philosophy of this party, and that is the fundamental reason why we have taken our stand against it. That may not be understood by some other members of the House, but the record is clear that over the years we have been here we have fought hard for pensions, housing, health care services and the things that achieve some measure of equality for the people of Canada. We intend to carry on that fight, and we are not going to be sidetracked by supporting something that runs in the opposite direction. So, Mr. Speaker, I state again my unqualified opposition to this bill. I say, on behalf of my party, that the least this House should do is to delay consideration of it for a further period.

● (1630)

I therefore move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That Bill C-44 be not now read a third time, but that it be read a third time this day six months hence.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): The question is on the amendment to the main motion, moved by the hon. member for Winnipeg North Centre (Mr. Knowles). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

The House divided on the amendment (Mr. Knowles (Winnipeg North Centre)), which was negatived on the following division:

(*Division No. 43*)

YEAS

Messrs.

Benjamin
Broadbent
Cossitt
Darling
Diefenbaker
Douglas (Nanaimo-Cowichan-The Islands)
Hogan
Howie
Jones
Knowles (Winnipeg North Centre)
Nystrom
O'Sullivan
Peters
Rodriguez
Rynard
Symes
Towers—17.

NAYS

Messrs.

Abbott
Alkenbrack
Allard
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Béchard
Bégin (Miss)
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Bussières
Cafik
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caouette (Villeneuve)
Caron
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Comtois
Corbin
Corriveau
Côté
Crouse
Cullen
Danson
Daudlin
De Bané
Demers
Dick
Dinsdale
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Flynn
Forrestall
Fortin
Foster
Fox
Francis
Fraser
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Hamilton (Swift Current-Maple Creek)
Hees
Herbert
Holmes
Holt (Mrs.)
Hopkins
Horner
Hurlburt
Isabelle
Jarvis
Johnston
Joyal
Kempling
Lachance
Lajoie
Lambert (Bellechasse)
Lambert (Edmonton West)
Landers
Lang
Langlois
Lapointe
Laprise
La Salle
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Malone
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Martin
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Mitges
Morin (Mrs.)
Muir
Munro (Hamilton East)
Murta
Nicholson (Miss)
Oberle
O'Connell
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier (Hochelaga)

Messrs.

Penner, Philbrook, Pinard, Portelance, Poulin, Prud'homme, Reid, Reynolds, Richardson, Ritchie, Roberts, Robinson, Roche, Rompkey, Rondeau, Roy (Timmins), Roy (Laval), Sauvé (Mrs.), Schellenberger, Schumacher, Sharp, Stanbury, Stanfield, Stevens, Stewart (Marquette), Stewart (Cochrane), Tessier, Trudel, Turner (London East), Wagner, Wenman, Whiteway, Wise, Woolliams, Yanakis, Yewchuk, Young—178.

● (1710)

Mr. Speaker: I declare the amendment lost.

Amendment (Mr. Knowles, Winnipeg North Centre) negatived.

Mr. Speaker: The question is on the main motion. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: May we proceed with the taking of the vote without calling in the members?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Sharp) which was agreed to on the following division:

(*Division No. 44*)

YEAS

Messrs.

Abbott, Alkenbrack, Allard, Allmand, Anderson, Andras (Port Arthur), Andres (Lincoln), Appolloni (Mrs.), Baker (Grenville-Carleton), Baldwin, Balfour, Béchard, Bégin (Miss), Blackburn, Blais, Blaker, Blouin, Boulanger, Breau, Brisco, Bussières, Cafik, Campbell (LaSalle-Émard-Côte Saint-Paul), Caouette (Villeneuve), Caron, Chrétien, Clark (Rocky Mountain), Clarke (Vancouver Quadra), Clermont, Comtois, Corbin, Corriveau, Côté, Crouse, Cullen, Danson, Daudlin, De Bané, Demers, Dick, Dinsdale, Dionne (Northumberland-Miramichi), Douglas (Bruce-Grey), Drury, Duclos, Dupont, Duquet, Ellis, Epp, Ethier, Fairweather, Faulkner, Flynn, Forrestall, Fortin, Foster, Fox, Francis, Fraser, Gauthier (Ottawa-Vanier), Gendron, Gilbert, Gillespie, Goodale, Goyer, Gray, Guay (St. Boniface), Guay (Lévis), Haidasz, Hamilton (Swift Current-Maple Creek), Hees, Herbert, Holmes, Holt (Mrs.), Hopkins, Horner, Hurlburt, Isabelle, Jamieson, Jarvis, Johnston, Joyal, Kempling, Lachance, Lajoie, Lambert (Bellechasse), Lambert (Edmonton West), Landers, Lang, Langlois, Lapointe, Laprise, La Salle, Lawrence, Leblanc (Laurier), Lee, Lefebvre, Lessard, Loiselle (Chambly), Loiselle (Saint-Henri), Lumley, MacDonald (Egmont), Macdonald (Rosedale), MacEachen, MacFarlane, MacGuigan, Mackasey, MacKay, MacLean, Macquarrie, Malone, Marceau, Marchand (Langelier), Marchand (Kamloops-Cariboo), Marshall, Martin, Mazankowski, McCain, McCleave, McGrath, McIsaac, McKenzie, McKinley, McRae, Milne, Mitges, Morin (Mrs.), Muir, Munro (Hamilton East), Murta, Nicholson (Miss), Oberle, O'Connell, Ouellet, Paproski, Parent, Patterson, Pearsall, Pelletier (Hochelaga), Penner, Philbrook, Pinard, Portelance, Poulin, Prud'homme, Reid, Reynolds, Richardson, Ritchie, Roberts, Robinson, Roche, Rompkey, Rondeau, Roy (Timmins), Roy (Laval), Sauvé (Mrs.), Schellenberger, Schumacher, Sharp, Stanfield, Stevens, Stewart (Marquette), Stewart (Cochrane), Tessier, Trudel, Turner (London East), Wagner, Wenman, Whiteway, Wise, Woolliams, Yanakis, Yewchuk, Young—175.

[The Acting Speaker (Mr. Penner).]

NAYS

Messrs.

Bawden, Beatty, Benjamin, Broadbent, Caccia, Cossitt, Darling, Diefenbaker, Douglas (Nanaimo-Cowichan-The Islands), Hnatyshyn, Hogan, Howie, Jones, Knowles (Winnipeg North Centre), MacDonald (Miss) (Kingston and the Islands), McKinnon, Nystrom, O'Sullivan, Peters, Rodriguez, Rynard, Stanbury, Symes, Towers, Whittaker—25.

Mr. Speaker: I declare the motion carried.

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

Mr. Speaker: I understand there is some disposition in the House to proceed with the consideration of Bill C-32 at the third reading stage.

Some hon. Members: Agreed.

* * *

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved that Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade, be read the third time and do pass.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will not detain the House very long, but I want to say that this bill was somewhat improved in the committee, which is the function of a committee. We moved some amendments which were accepted, and we moved others which were not. We feel that while there has been some delay, from the time this bill was first a gleam in the minister's eye until the time it becomes law, that time has not been wasted.

We have fought on substance and on the law. This was a fight not tainted by demagoguery. Under the circumstances, and while we feel the bill has been improved and we are not going to force a vote, we still feel it constitutes an intrusion into provincial rights and an unnecessary waste in dealing with a matter in respect of which the provincial and federal governments do have power at the present time. So, as far as we are concerned the bill will go through, but it will be on division at the time the question is put.

● (1720)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the members of the New Democratic Party have supported this legislation. We would have liked to have seen some changes. We did move an amendment when the bill was in committee of the whole to ensure that any increase in the price of oil would be used by the federal and provincial governments on the exploration and development of new sources of energy. That was not accepted by the committee but we feel we ought not to hold up this legislation. This is particularly true in view of the announcement by the minister who said today that he intends to see that the price increase which has just been announced of $1.15 per thousand cubic feet for Alberta gas is lower. It could be very serious for the gas consumers of Canada to have such a substantial increase imposed upon them.

I think, therefore, the government requires the power in the event there is no agreement with the producing provinces to set both the price of oil and natural gas. We express the hope, however, that in setting the price the government will keep in mind that the position this party has taken for a long time, and which we emphasize now, is that there is no justification for increasing the price of crude oil on the basis of operating costs or the financial position of the oil industry.

The only possible reason for asking the Canadian people to pay more for oil and gas is to provide funds for the public exploration and public development of the oil and gas resources of this country. Therefore we are prepared to support the bill and see that it receives speedy passage.

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

Some hon. Members: Question.

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

Mr. Baldwin: On division.

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

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed from Monday, April 28, consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, this bill was called on short notice the other night and the minister made his second reading speech. The hon. member for Swift Current-Maple Creek (Mr. Hamilton) also got his words on the record, and I had the floor at ten o'clock. At this point I am somewhat at a loss concerning where to begin. I suppose one must speak first of the principle of guaranteeing and stabilizing incomes for farmers and, in respect of this legislation, particularly for grain producers.

There has been a demand for some form of guaranteed income program from farm organizations and farmers since the "dirty thirties". My party has been proposing and demanding a system of guaranteed prices relating to the cost of production for some time. This has been the policy of our party, again since the thirties. In the years since then the Government of Canada has brought in various kinds of programs to protect farmers in general, and in many instances the grain producers in particular, from the hazards of weather, the marketplace, prices, and the condition of world markets with their violent fluctuations which on occasion drove farmers by the thousands out of farming. Coupled with that, since the Second World War the costs of farm production have risen repeatedly annually.

With the exception of this last two or two and one half years, prices received by the grain producers did not reflect any increase to compensate them for the increased costs of production. When the minister proposed his original grain stabilization bill in 1971 it received little if any support from the grain producers of western Canada. It was opposed by all the farm organizations.

An hon. Member: Even with the $100 million carrot.

Mr. Benjamin: Yes, even with the $100 million carrot which they were going to take away by repealing the Temporary Wheat Reserves Act. It was one of the rare cases we have seen when the farm organizations united in their opposition to a program. I believe they are still of two minds concerning this bill. We recognize there have been some significant changes in this legislation compared to the first attempt of the minister, but I want to remind the House that we are now getting this bill at greater cost to the grain producers of western Canada because, when the minister brought in his first bill, there were two or three hookers in it. One was the repeal of the Temporary Wheat Reserves Act which would save the federal treasury anywhere from $20 million to $60 million a year. He did not succeed on that occasion, but has succeeded since then.

The minister succeeded by requiring the grain trade and the Canadian Wheat Board to make certain that there was less than a certain amount of grain in store in the terminals at the end of the crop year so there would be no pay-out by the federal treasury under the Temporary Wheat Reserves Act. As a result of that happening, in two successive crop years the act automatically lapsed. So, he found another method to get rid of the Temporary Wheat Reserves Act which, with all its inadequacies, at least implemented the principle that the nation as a whole should share in the cost of storing our grain and that this load should not fall just on the backs of the farmers.

The nation as a whole benefits from what is probably our second or third largest export commodity. One of the largest foreign exchange earners we have is the export market for grain. The nation as a whole benefits from that. We say, therefore, that the nation as a whole should share significantly, at least to the tune of 50 per cent, in the cost of storing grain. That was part of the cost the grain producers suffered in arriving at the stage at which we are now in respect of this legislation. The minister also at that time attempted to repeal the provisions of the Prairie Farm Assistance Act. He did not succeed at that time. However, he has now succeeded by having the act repealed in recent months.

We did not strongly oppose this in recent months because in this instance the minister came some distance toward meeting our objections of 1971. We insisted at that time that if he were to do away with the Prairie Farm Assistance Act, which was a form of crop insurance which protected grain farmers from the hazards of drought and low-crop yields, he must replace it with something as good or better than the PFAA, and to us that meant a substantially larger participation by the national government in a much improved crop insurance program.

● (1730)

The results of those demands and the fight we put up in 1971 are that the government has come round to some significant degree. The additional moneys it was putting into crop insurance meant that premiums for grain farmers in western Canada were cut to a point where something over 60 per cent of them were covered by the crop insurance program.

On this point there is another bill before the House which relates to this one. In the repeal of the Prairies Farm Assistance Act the government wants to take the funds which remain under that legislation, somewhere in the order of $8 million to $10 million, which belongs to the farmers of western Canada and which was largely collected from them compulsorily by deductions from their cash tickets at country elevators. It is their money. It was meant for their use when they had crop failures, drought or low yields, but when the government repealed the PFAA, it wanted to take that $8 to $10 million and put it in trust for the grain stabilization fund.

To me that is another sneaky way of endeavouring to save money. In spite of all the claims of the minister in charge of the Canadian Wheat Board about the increased amount of money which has been put into the agriculture, and particularly the grain industry in western Canada, by the federal government, much of that money comes from

funds which were already paid out in other ways. There have not been, in total, increased costs to the federal treasury. The money the government has been saving on grain storage and the money it wants to use from the PFAA account can be subtracted from any amounts it claims it is putting into the support and assistance of the grains industry in western Canada.

This is one of the most complicated pieces of legislation I have seen in the almost seven years I have been here. I confess that having gone over the bill on a number of occasions and having discussed it with people in farm organizations, researchers, committees and statisticians, I have a great deal of difficulty understanding all the provisions in the bill, how well they will work, how they will be applied, and the reasons for them.

But I do not feel lonely, because some of the statisticians, researchers and committees are also puzzled. This leads me to believe that it will be extremely difficult, if not impossible, for a majority of grain producers to understand the legislation, to appreciate how it will affect them, and what its pluses and minuses are. I think it is essential that before this legislation becomes law the government make the most searching and thorough examination of any legislation we have dealt with in a long time.

It is essential—and this request has come from many farmers individually and farm organizations—that the agricultural committee hold meetings, as I said the other evening, in at least two or three dozen places in the three prairie provinces and the Peace River country of British Columbia, the area under the jurisdiction of the Canadian Wheat Board, in order to hear briefs and submissions from those farmers and organizations, and for the committee and its staff to answer their questions. It will be the responsibility of the committee to obtain the answers to any questions it cannot answer, from the minister and his officials, and relay them to those farmers and organizations. That will take some doing and some time. In dealing with this legislation I think it is a must. I know that there is support for that proposition from many quarters.

This bill attempts to use the principle of stabilization, guaranteeing income or guaranteeing net cash flow in a manner which will be so difficult to administer and to fairly apply that it is an extreme possibility that, after a few years of its being in effect, it will destroy the confidence of grain producers and thereby set back the principle of some form of guaranteed income, guaranteed prices, stabilizing, or whatever term one wishes to use. While we agree with this in principle, there is an easier, better and more simple way of doing it. I think the government, in its effort to make improvements on its first attempt, has complicated it more.

The minister said that the bill is intended to stabilize net cash flow. I submit that there are provisions in the bill which prevent that. We can get into that in more detail when we are in committee, but it is intended to stabilize net cash flow from the sale of western grains through the mechanism of a stabilization fund to which contributions are made by both the producer and the federal government, and that when a net cash flow in the total grain industry of western Canada in any year falls below the last five year average, the shortfall is supposed to be paid out of the stabilization fund. I see some danger in the

sense that the payouts, whenever they occur, will be unfairly applied just because of the difficulty of dealing with every farmer fairly.

More serious, there will be many years when there should be payouts in various regions of that wheat board district because of sharp reductions in net cash flow, but there will not be any payouts because the legislation says that can only be done for the total area under the jurisdiction of the Canadian Wheat Board. The plan is compulsory for all, initially. Grain producers will have until January 1 of 1978 to opt out.

My party supports programs such as this, whether they deal with health care, support for the agricultural industry, or marketing boards. This kind of plan should be universal. The opting out provisions can only weaken the program. The larger the participation in such programs, the greater the benefits can be to the people involved. If there is any significant amount of opting out, I submit it will be because of anger and disgust by those who participated in the plan in the way it is being operated.

The levy of 2 per cent which is imposed on the grain producer is on all eligible sales to a maximum of $25,000 in grain sales. This means that they contribute to a maximum of $500. The levy will be a maximum of $500 per year, and the contribution of the federal government is to be 4 per cent. If the stabilization fund is in a surplus position, and if any interest earned for two successive years exceeds one third of the annual levy, the levy drops to 1½ per cent for the producer and 3½ per cent for the government. I am not sure that that is a good idea. It seems to me that one would want to build the fund up as much as possible, if for no other reason than that in the event of some calamity or disaster in the grain industry, there would be something there to take care of it.

● (1740)

If the surplus position is maintained for four consecutive years the levy drops, and as soon as the fund balance is restored for two consecutive years when interest earned ceases to exceed one third of the annual levy, then the levies return to their normal 2 per cent and 4 per cent levels.

On the other hand if the fund is in a deficit position, if interest paid on loans through the Consolidated Revenue Fund exceeds one third of the annual levies for two consecutive years, the levy increases to 2½ per cent for producers and 4½ per cent for the government. I would think that if the government is going to be putting in double what the producer puts in, the levy should be 2½ per cent for the producers and 5 per cent for the government. If the deficit remains after an additional year, then the support level under the plan should be reduced to 90 per cent of the five year average of net cash flow.

It should be noted, Madam Speaker, that when the fund is in a deficit position the federal government's contribution is reduced, and after three years of deficit the level of support decreases. When the need is greatest the support is the least. The levy is paid in good years and bad, and the various levels set out may be actuarially sound, but they tend to reduce the stabilization effect of the plan. Perhaps there should be a variable rate level based on variations on grain sales proceeds rather than on the financial balance in the fund. I leave that for the minister's consideration.

The issue of the plan being based on net income rather than gross income was thoroughly fought the first time, the legislation came before us in 1971. One of the main arguments we put up at that time was that it should be based on net income and not gross income, and there should be provision for accounting and for increasing costs of production—some form of escalation to provide for increasing costs of production.

I want to say here that the minister has come around some distance, and this is not usual for him when dealing with this parliament or previous parliaments. He came around to the view that the plan would be better if it were based on net income rather than gross income, and that the matter of costs of production has to be brought in. It is almost a 180 degree turn. As I recall the speeches made on the government side in 1971, we were told that it was impossible and could not be done, etc. I wish the minister had come all the way though, because in arriving at net cash flow, when you look at the eligible expenses that are considered as deductions from the gross cash income, there are some legitimate cash expenses that are excluded from the legislation.

The bill includes only cash expenses incurred in the production and sale of grain as eligible expenses. It excludes depreciation on farm machinery, it excludes interest on equity, and it excludes the labour and management of the producer. I am particularly unhappy to see that interest on indebtedness is excluded because that is a cash expenditure that grain producers have every year. In particular, interest on indebtedness for buildings and farm machinery is a large expenditure for grain producers in western Canada.

I think the minister errs in at least not allowing the interest on indebtedness for things like buildings and farm machinery to be included. The price of farm machinery has reached heights that were not imagined five or ten years ago, and most farm machinery purchases are financed at interest rates of 10 per cent or 15 per cent. The farmer has to make cash payments on that machinery every year, and of course the payments include interest on the loans.

I can see that there might be some argument against allowing interest on land indebtedness since land usually appreciates. There may be temporary drops in land values, but I do not see any significant permanent drop in the near future. An argument could be made that interest on payments for land should be excluded, but I think there is no justification for excluding interest payments on buildings and machinery, both of which are depreciating assets.

The minister has excluded depreciation from the bill. Since the facilities I have mentioned on grain farms are not going to appreciate in the way that land will, surely depreciation on buildings and machinery should be allowed as an expense. I appreciate it is not a cash expense. That would be a departure from one of the main features of the bill which reflects cash income and cash expenses, but I hope the minister will look at it again.

I am happy to see that income received under the crop insurance program will be calculated as part of the total

gross income and that this will allow farmers to contribute more to the fund. I submit there are too many exclusions, however, and the bill should be amended to allow the inclusion of interest on at least farm buildings and machinery, and to allow the depreciation on buildings and machinery.

There are many implications in the aggregate calculations of payouts over the entire Wheat Board region. Because the plan operates on an aggregate basis, all regions and all grains are lumped together in the calculation of aggregate payouts. This offers little or no protection on a regional or on a commodity basis.

For example, Madam Speaker, if rapeseed producers experience a badly depressed market but all other grains do very well, there is no payout for rapeseed producers from the plan if the aggreagate proceeds from all the other grains remain at or above the five year average level. Similarly, an individual producer's share of the aggregate payout when a stabilization payment is made is determined in proportion to his share of contribution through the levies in that year and the immediately preceding two years. In other words, a producer who has had good sales, and therefore has made a relatively substantial contribution to the fund, will receive a proportionately higher payout, whereas a producer who has done less well in sales will receive proportionately less. It seems to me that as the bill stands now it rewards good fortune and penalizes misfortune. The one who needs the most gets the least, and I think that is a fundamental weakness in the legislation.

The minister mentioned on a previous occasion the possibility of paying out on a local or regional basis rather than on the aggregate of the entire grains income over the entire Wheat Board area. Having listened to the minister and read his speech, I am under the impression he will be willing to look at these things until he has had time to become experienced in the administration of the legislation and devise ways, administratively and technically, of paying out on a regional or local basis. I do not think that difficulty is insurmountable. It can be done.

● (1750)

I am thinking of a particular situation. Say that in a large area of northeastern Saskatchewan, northwestern Alberta, or in the Peace River country, farmers raise abundant, but low grade crops in one year. Let us say the demand for high grades of grain is strong, that the demand on domestic and export markets is strong for Nos. 1, 2 and 3 wheat, for example. What will happen? The farmers in a large area where low grades of grain are grown will have low sales; but there will be no payout for them, because if the aggregate of all sales is at or about the five-year average, it means the people in the large area who have raised poor or low grade crops will not get any payout. Again, the ones who need help most will get least. In the circumstances I mentioned they may not get anything at all. I suggest that the minister, his officials, the committee, and other organizations must put their heads together and devise ways to change the legislation so that payouts on a regional or local basis can be made.

The stabilization effect of the plan is reduced by a number of other factors. In a period of decline the five-year average would become progressively lower; net income would show a progressive decline and producers would continue to contribute the levy. Payouts would occur during periods of relatively high but falling commodity prices, but no payouts would occur during periods of relatively low but rising prices. I submit that the cost of the plan to the federal government is overstated and the stabilization effect reduced, because a portion of federal contributions, around 15 per cent, would be recovered through taxation when a payment is made. What they give with one hand, they take back with the other. At least they take back a good chunk.

[Mr. Benjamin.]

Because the stabilized margin, the net cash flow, as the minister puts it, is not indexed to inflation, net income would decline in terms of real dollars at a rate approximately equal to the rate of inflation with no support payments being made.

Stabilization payments themselves are not included as proceeds in calculating the five-year average. This I do not understand. The levy is based on the financial position of the stabilization fund, and not on ability to pay. The levy could actually increase in a bad year. Further, the support level drops to 90 per cent of the five-year average after the fund has been in a deficit position for three years. Surely that is exactly when support should increase. Obviously grain farmers will be in difficulty at that point in time.

The assumption underlying the plan is the continued operation of a free market, which makes one laugh, and the need to protect producers from its fluctuations. That is understandable. Production surpluses and deficits will continue to exist. The government is to play no active role in determining the allocation of productive resources.

I return to what I said at the beginning of my speech. My party thinks there is a simpler and better way of doing this. I admit, without hesitation or sorrow, that our plan would require higher expenditures from the federal treasury than the present plan. I think it is only fair that there should be some contribution by farmers in other ways, such as through crop insurance, and so on. In other words they should pay some kind of premium.

The most effective way of stabilizing income, it seems to me, is to establish a system of guaranteed prices for all grains. These prices should be related to costs of production. As well, an escalating factor should be included to take care of annual increases in production costs. Such guaranteed prices would assure farmers of a certain level of income. There will be years, obviously, when prices will be down and the federal treasury may need to inject up to several hundred millions of dollars into the scheme in order to maintain guaranteed prices for producers. No doubt from time to time commodities other than grain will be affected.

If the guaranteed price imposes hardship on certain segments of the public, on consumers, the government should look at the other side of the coin and come in with a form of consumer subsidy. We are doing this with two-price wheat and there is no reason why this cannot be extended to cover all grains. Frankly I think it should cover all agricultural production. That, surely, would be administratively easier than what is contemplated under this bill. Surely such a scheme would do a better job in providing for farm income security.

I know the idea is somewhat socialistic, but this has been done by countries with so-called free enterprise governments, or governments operating under variations of that principle. Surely that would be an easier and better way. Under such a system we could guarantee the farmer a price for his grain, a price that would return to him his full costs of production and a decent living. That guarantee would come from all the people of Canada. That, I think, would be a system far more effective than any system contemplated by this legislation, which is so complicated, so full of legal gobbledygook. I suspect that we shall need to hire quite a few more public servants to administer this legislation. We shall need more than we needed to administer PFAA and other programs like it. I am afraid this will become an administrative nightmare, largely because of the way the minister has chosen to implement the grain stabilization plan.

I repeat, that we think it essential for this bill to receive the most thorough scrutiny by the committee. The committee must hold hearings in two or three dozen places at least in the Wheat Board area. It must receive briefs and submissions from grain producers and organizations representing them. They should be allowed to ask their questions, although I doubt if we will be able to answer them all, because it is still difficult to understand how this bill is to apply. Further, I hope the minister and his officials will use the simplest English possible when giving answers. I am not hopeful on that score, but I hope that his officials will work on this idea.

I know my time has all but expired. I fully expect that much more will be said on this bill. I hope the minister will be agreeable to improving it and changing it, or more agreeable to doing this than he was on the previous occasion. I hope more attention will be paid to the views of farm organizations who represent grain producers in western Canada. Again, I hope that more attention will be paid than was paid on the prior occasion, Madam Speaker.

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BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): On a point of order, Madam Speaker, may I inquire if we are to be told what the business will be tomorrow and on Friday?

Mr. Reid: Madam Speaker, we will continue with Bill C-41 tomorrow and, if it is not concluded tomorrow, also on Friday.

Mr. Knowles (Winnipeg North Centre): And if it is?

Mr. Reid: If it is, there will be discussions through the usual channels to decide what to put forward.

The Acting Speaker (Mrs. Morin): Order, please. It being six o'clock, I do now leave the chair. This House stands adjourned until tomorrow at 2 p.m.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 1, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

SUGGESTED UNILATERAL ACTION TO EXTEND ECONOMIC ZONE TO 200 MILES—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to move a motion under Standing Order 43 which I hope will commend itself to the House.

In view of the failure of the Law of the Sea Conference at Geneva to reach agreement on a 200-mile economic zone which is of vital importance to the survival of the fishing industry in the Atlantic provinces, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House supports the stand taken by the Minister of State for Fisheries at Geneva and calls upon the government to reaffirm its intention to take the necessary unilateral action in the absence of an agreement at Geneva.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please.

* * *

[*Translation*]

FRENCH CANADA

GREETINGS TO CITIZENS ON 200TH ANNIVERSARY OF QUEBEC ACT—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, it is with pride and in a spirit of solidarity that on this first day of May I request the unanimous consent of the House under Standing Order 43 to move a very special motion concerning the survival of the French culture in Canada.

Mr. Speaker, 200 years ago today, the Quebec Act, which officially recognized the French language and culture in Canada, was proclaimed. I therefore move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That this House unanimously rejoice at this historical event and eagerly wish all French Canadians in this country happiness, long life and prosperity.

Mr. Speaker: Order, please. This is certainly an important question and a very good idea, but unfortunately it is not an urgent matter.

* * *

[*English*]

PUBLIC SERVICE

PROPOSED INVESTIGATION OF FEDERAL WAGE POLICIES AS THEY RELATE TO VARIOUS REGIONS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43. I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this government immediately set up a task force comprised at a minimum of an economist from the western region of Canada, the central region and the Atlantic region, to investigate the philosophy, politics and economic criteria of present federal wage policies as they relate to federal employees in these different regions of Canada and determine whether and to what extent the federal government is discriminating against any region by such policies.

The urgent and pressing necessity lies in the strains on the unity of the country which prevailing federal wage policies are causing.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

INDUSTRY

REQUEST FOR STATEMENT BY MINISTER ON SITUATION IN TEXTILE INDUSTRY—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to present a motion dealing with a matter of pressing necessity.

As the textile and clothing industry in Quebec is now in great danger of declining or even disappearing because of the high rate of imports, and as the recommendations of the Canadian Textile Board have not been applied or have had very little effect, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the Minister of Industry, Trade and Commerce (Mr. Gillespie) make, in the nearest future, a clear and comprehensive statement on

the situation of the textile and clothing industry in Quebec and in Canada, which industry is now threatened by uncontrolled imports, and on what the government intends to do to protect the workers in that industry.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—REQUEST FOR CLARIFICATION OF STATEMENT OF FISHERIES MINISTER CONCERNING 200 MILE ECONOMIC ZONE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Acting Prime Minister or the Secretary of State for External Affairs. It relates to the speech made at the Law of the Sea Conference by the Minister of State (Fisheries). Does the contingency plan indicated by the minister represent the policy of this government? In general terms, what is this contingency plan? Does it relate to unilateral control of the fisheries extending out 200 miles or over the whole continental shelf?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, when the Minister of State (Fisheries) spoke, he of course spoke on behalf of the Canadian government. He went there as a delegate of Canada for this purpose. I have not yet had an opportunity of seeing the text of what he said. Hence, I do not think it would be appropriate to comment on the particular point raised by the Leader of the Opposition at the present time.

Mr. Stanfield: Does the Acting Prime Minister not find it a little extraordinary for him to give the assurance that the Minister of State (Fisheries) was stating government policy but he, the Acting Prime Minister, does not know what the policy was?

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, we have confidence in our ministers to state government policy. All I was saying to the Leader of the Opposition was that I have not yet seen the text of the minister's speech and, therefore, I think it inappropriate to comment on it.

Mr. Stanfield: Will the Acting Prime Minister or the Secretary of State for External Affairs state that it is the policy of the government of Canada to exercise unilateral control of our fisheries over the continental shelf in the absence of an international agreement? Is this the policy? If so, in general terms how does the government propose to implement it?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the policy of the government on this point has been stated a number of times, namely that one of the policy options open to the government of Canada is unilateral action. However, in light of the continuing progress being made at the Law of the Sea Conference, we have not reached any conclusion as to the adoption of that particular option. It certainly would not be the intention of the government to consider any such option until the full results of the conference have been assessed by the government.

LAW OF THE SEA CONFERENCE—REQUEST FOR STATEMENT OUTLINING GOVERNMENT PLANS IF CONFERENCE FAILS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in view of the fact that several ministers have stated on a number of occasions that Canada would take unilateral action, will the Secretary of State for External Affairs make a statement on motions outlining the plan they will follow in the event the Law of the Sea Conference fails?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will consider the suggestion made by the hon. member. It may be possible to make a statement at some time following the conclusion of the conference, which is not very far distant.

Mr. Marshall: Should agreement at the Law of the Sea Conference not be reached, will bilateral discussions be held with any of those nations which agree to a 200-mile limit. If agreement is reached, would the government then take action along with the nations that want to extend the limit to 200 miles?

Mr. MacEachen: Any such decision would certainly be premature at this point. We certainly wish to wait to see the results of this conference; my information is that real progress has been made on each of the major policy issues in which Canada has a real interest. In my opinion it would be unwise to prejudge the results at this point.

Mr. Lambert (Edmonton West): Why does the Minister of the Environment prejudge them, then?

* * *

LABOUR CONDITIONS

ALLEGED INCREASE IN WAGE DISPARITIES BETWEEN MEN AND WOMEN—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Labour. Since this is International Women's Year, and taking into account the fact that today is May Day, a day which has important symbolic significance for those who believe in the notion of equality, may I ask the minister what steps he and his department are taking to reverse the trend which was revealed in the most recent report of the women's bureau

in his department to the effect that wage disparities between men and women in Canada are actually increasing rather decreasing?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. The women's bureau in my department conducts these studies and brings these matters to the attention of the Canadian public generally. We then forward the findings to the various provincial jurisdictions in the hope that through legislative measures there, plus provisions in our own labour standards code, action can be taken on the basis of these facts. As the hon. member is aware, in terms of labour standards, the vast majority of the work force is under provincial jurisdiction. We shall be discussing this type of thing at the next federal-provincial conference of labour ministers.

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PUBLIC SERVICE

ALLEGED DISCRIMINATION AGAINST WOMEN—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary for the President of the Treasury Board. Considering the fact that 10 per cent of the labour force in general, as well as the whole of the federal civil service, are the responsibility of the federal government, and since the latest report of the Public Service Commission points out that in the federal civil service 69 per cent of the women as opposed to only 20 per cent of the men earned less than $7,500, and considering that only one per cent of all the executive positions in the civil service are occupied by women, will the hon. gentleman tell us what concrete steps he is taking to change this situation?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, as hon. members know, a special section of the Public Service Commission is dealing with that problem. I think considerable progress has been achieved in recent years, but a continuing effort will have to be made to increase the number of women within the public service.

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[*English*]

HUMAN RIGHTS

DATE OF INTRODUCTION OF LEGISLATION ESTABLISHING HUMAN RIGHTS AND INTERESTS COMMISSION

Mr. Edward Broadbent (Oshawa-Whitby): A question to the Acting Prime Minister. In the light of the statement made by the Minister of National Health and Welfare last October to the effect that legislation establishing a human rights and interests commission which would be responsible, among other things, for enforcing non-discrimination on the basis of sex in terms of employment practices would be introduced before the end of 1974, I should like to ask the Acting Prime Minister why, at this point in 1975, such a measure has not even been brought forward for first reading?

Hon. Mitchell Sharp (Acting Prime Minister): The bill in draft form is now before cabinet. It is proving to be an extremely complicated measure, and this is the reason for the delay, not because the government is not anxious to introduce the legislation.

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[*Translation*]

AIR TRANSPORT

DATE OF INSTALLATION OF RADAR EQUIPMENT AT VAL-D'OR

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Transport.

As a result of my recent interview with the minister last Tuesday concerning the problem created by air navigation at the Val-d'Or airport since the departure of the armed forces, could the minister tell us whether a radar will be set up again at that airport, as the problem is extremely urgent and must be settled as soon as possible for the security of air passengers?

Hon. Jean Marchand (Minister of Transport): I do not know, Mr. Speaker, whether a new radar will be set up in Val-d'Or, but I know that my department is considering the opportunity of providing more modern equipment so that air navigation may be safer in that area.

Mr. Caouette (Villeneuve): I should like to put a supplementary question, Mr. Speaker.

Following the minister's answer, since there is a danger of accident in foggy weather due to the lack of radar at the airport, could the minister tell us when the aforementioned aids will be set up?

Mr. Marchand (Langelier): The only thing I can say, Mr. Speaker, is that my department is investigating and will eventually report to me.

* * *

● (1420)

[*English*]

EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—POSSIBILITY OF BILATERAL DISCUSSIONS WITH COUNTRIES APPROVING ECONOMIC ZONE CONCEPT IF CONFERENCE FAILS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is supplementary to that which was asked a moment ago by the Leader of the Opposition, and I direct it to the Secretary of State for External Affairs. Since the Law of the Sea Conference cannot succeed on any basis other than a convention founded on a concept of the economic zone coupled with that of the common heritage of mankind—and obviously this concept has not been accepted—is it the government's intention to wait until this matter is further debated at the next Law of the Sea Conference suggested for next year, or will bilateral discussions be held with the United States and other countries who approve of the economic zone concept in the hope that early unilateral action may be taken by Canada

to protect our marine and our mineral resources on our continental shelf?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I regret to advise the hon. member that I differ with the premise he has established, namely that all is lost at the conference. I do not take that attitude at this point. I believe there may be, and probably still is, some ability to cope with the problem that he has raised. Certainly the delegation is at work, and although I cannot say for certain it may be that there can be progress, particularly with respect to the continental margin.

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. In view of the vital importance of Canada obtaining at least management rights to marine resources on the continental shelf, and in view of the apparent failure at Geneva, which I submit is due to lack of an aggressive stance by this government, have preliminary negotiations on a bilateral basis been held with a view to agreeing on quotas as a preliminary step to whatever unilateral action the government will eventually have to take?

Mr. MacEachen: Mr. Speaker, the Canadian delegation is operating in good faith at the conference and it would certainly be in conflict with that position to commence bilateral deals which imply the collapse and failure of the conference.

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LABOUR CONDITIONS

STRIKE OF QUEBEC LONGSHOREMEN—EFFECT OF FEED GRAIN SUPPLY—REQUEST FOR REPORT ON COMPLIANCE WITH BACK-TO-WORK LEGISLATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Labour. Can the minister tell the House whether or not the crisis which led us to sit all night to bring in legislation to end the strike at the three river ports has passed? I want specifically to ask the minister whether the concern that engaged us all that night, which was grain supplies to Quebec farm producers, has been remedied to the point where supplies are now sufficient to meet their needs, which apparently was not the case last week.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, my information is that grain supplies are adequate to meat the need and that there is no interference with the movement of grain, as was not the case prior to this House passing the legislation. So that particular element which contributed finally to the emergency has by and large been removed. However, the very disturbing element of apparent defiance of the law is still there.

Mr. Fraser: A supplementary question, Mr. Speaker. Would the minister tell the House exactly what steps are being taken today, and what steps are proposed for the next few days to make sure that the law is going to be enforced?

Mr. Munro (Hamilton East): Yes, Mr. Speaker. Officials of the justice department are in Montreal examining

[Mr. Crouse.]

the facts of the situation, which hopefully will establish what I strongly suspect is defiance of the law, and we will take the appropriate legal remedies. Once having ascertained those facts, although I think this question might be more properly put to the Minister of Justice, I believe there will be an application for an injunction on Monday.

Mr. Fraser: Mr. Speaker, is the minister telling the House that some days after the legislation has taken effect and the men are not back to work there is still a necessity to have officials gathering factual information of the situation, or is the minister saying that what the officials are doing is gathering the necessary evidence to make the necessary application?

Mr. Munro (Hamilton East): That is essentially what I meant, Mr. Speaker. They are gathering the necessary evidence.

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HARBOURS

MONTREAL—ABILITY OF MARITIME EMPLOYERS' ASSOCIATION TO MEET LOAN COMMITMENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct my supplementary question to the Minister of Transport if he has a moment or two, but I would not want to interrupt anything. Can the minister now answer the question I put to him yesterday in respect of the level of loans that have been guaranteed by this government for a Canadian association of foreign interests, namely the Maritime Employers' Association? I would ask at the same time whether the minister has had any conversations with his colleague, the Minister of Labour, in respect of his conversations last night with officials of the Maritime Employers' Association and, if so, did he discuss whether the MEA is in a position to continue to honour its commitments to the bank, or will the government have to step in and exercise this guarantee?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is something I am discussing at the present time. The total amount of money loaned to the MEA, not by the government alone but by the banks and the government, is about $11 million. I think the government is guaranteeing $2.5 million, as well as loans from the National Harbours Board of $2.5 million. Those are the figures I remember.

Mr. Forrestall: Mr. Speaker, I would direct my supplementary question to the Minister of Labour. If in fact the minister did meet with management or officials of the Maritime Employers' Association last night, or sometime yesterday, as we understand, I should like to ask if this question of the MEA loans from the two banks was discussed, and was there any indication from the officials about the ability of the association to meet its commitments? Was the question of the government's guarantee of a portion of the total loan, which is somewhere in the order of $18 million now, discussed at the meetings, and were there discussions in respect of a request for additional funds or additional help in relation to the current dispute at the river ports?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the entire question of the financial situation of the MEA was not discussed at a meeting with me.

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IMMIGRATION

VIETNAMESE REFUGEES—GOVERNMENT POSITION ON REQUESTS BY OTHER COUNTRIES THAT CANADA ADMIT CERTAIN NUMBER

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether the United States, other governments or international institutions have requested the Canadian government to accept a certain number of Vietnamese refugees with whom they are unable to cope and, if so, what is the government going to do about it?

Hon. Robert K. Andras (Minister of Manpower and Immigration): As of this morning, Mr. Speaker, the government has agreed to accept up to 2,000 Vietnamese refugees who have been airlifted to the United States or United States territories—this is in response to a request of the United States government—and up to 1,000 refugees who have gathered at points outside Viet Nam. I am thinking of places like Bangkok and Hong Kong. There are some people turning up there now who have escaped to Thailand and other countries.

I might say that this 3,000 is over and above the commitment we have made in respect of sponsored and nominated relatives of Canadian citizens or landed immigrants in Canada, although frankly and unfortunately in the latter case it is very doubtful that very many of these people in fact got out of Viet Nam and will be coming forward. I do have information now that there are some 82 at Guam and 10 at Wake Island. We are dispatching an immigration team with medical assistance to work in co-operation with Americans in these locations, particularly in respect of relatives of Canadians who have indicated they have arrived at these places.

Mr. Haidasz: Mr. Speaker, I should like to ask the minister whether the government of Canada has or will be approaching the new government in South Viet Nam with a request that the relatives of Canadian Vietnamese be allowed to come to Canada?

● (1430)

Mr. Andras: Mr. Speaker, I would have to defer a response to that question to my colleague the Secretary of State for External Affairs.

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INDUSTRY

MICROSYSTEMS—GOVERNMENT ACTION TO RECOVER AMOUNT OF INVESTMENT—SUGGESTED INVESTIGATION OF RELATIONSHIP WITH NORTHERN ELECTRIC

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. Would he outline to the

House whether he is presently attempting to recover the more than $37 million invested in Microsystems by the Canadian government?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we are making efforts to get repayment of the loan of nearly $7 million which was secured, but the balance of some $30 million involved conditional grants—that is, they were repayable out of profits. As the hon. member knows, the Microsystems Company lost some $45 million and it is very unlikely that we will ever obtain any part of that.

Mr. Saltsman: Mr. Speaker, I have a supplementary for the minister. In view of the fact that Northern Electric will, as it turns out, be picking up the assets and will not lose a penny on its investment in Microsystems, will the minister tell the House whether he hopes to recover any of the money from Northern Electric?

Mr. Gillespie: Mr. Speaker, I have already indicated I would expect to negotiate and obtain a substantial part, I hope all, of the outstanding loan of nearly $7 million.

Mr. Speaker: The hon. member for Waterloo-Cambridge on a final supplementary.

Mr. Saltsman: Mr. Speaker, in view of the large sums of money that have been invested in this company and the rather disastrous way in which this money has been lost, I wonder whether the minister would investigate, or set up a committee to look into, the entire affairs of Microsystems and its relationship with Northern Electric, perhaps both as a way to find out why this money went down the drain and to make sure that this does not happen again.

Mr. Gillespie: Mr. Speaker, we have of course been in conversation with the officials of Northern Electric and Microsystems and have attempted to ensure that the Canadian public's interest will be fully secured. We are, of course, on a continuing basis trying to learn from this experience, but I think the hon. member will realize that when you are supporting an advance in technology you do so for two reasons, either because of the risk or the amount involved or both. In other words, the projects would not otherwise be undertaken by the Canadian private sector without government assistance. In companies of this size, heavy risks clearly are involved and you do not win them all.

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ENERGY

NATURAL GAS—POSSIBLE DISCUSSIONS WITH ALBERTA PRIOR TO PRICE INCREASE—EFFECT OF PRICE INCREASE ON NEGOTIATIONS BETWEEN FEDERAL AND PROVINCIAL GOVERNMENTS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Did the minister or any official of his department have a discussion with the Alberta government or the Energy Board in Alberta before the announced increase in the price of natural gas of about 70 per cent which came forward yesterday.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should make it clear that the decision was made by an arbitration tribunal appointed by the two private parties to the contract and not by the Alberta Energy Resources Conservation Board. The officials of the two governments did indeed meet a week ago and discussed the price of gas. This question will be discussed again, I hope, when I meet with the Minister of Energy for Alberta this coming week.

Mr. Gillies: Mr. Speaker, my supplementary again is directed to the Minister of Energy, Mines and Resources. Does this decision that was announced yesterday have in the minister's opinion any major ramifications for the settlement of the negotiations between the federal government and the provinces in respect of energy prices.

Mr. Macdonald (Rosedale): Mr. Speaker, I think it gives a pretty clear indication that the most useful thing would be for the governments to arrive at a mutually acceptable price very much below the arbitration tribunal award.

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EXTERNAL AFFAIRS

PROPOSALS INVOLVING COMMONWEALTH IN AFFAIRS OF NON-COMMONWEALTH COUNTRIES—CANADIAN POSITION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs. In view of statements from some leading personalities at the Commonwealth Conference regarding proposals that would involve the Commonwealth in the affairs of non-Commonwealth countries such as Mozambique, Rhodesia and Southwest Africa, could the minister indicate what position Canada is adopting toward these proposals?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, in the absence of more information on the exact nature of the proposals I have no comment to make. I have no doubt, however, that the question of southern Africa and the regimes existing there will be a matter of great concern to the Commonwealth leaders and on that point Canada will of course support strongly principles that would lead to majority rule and racial equality in all parts of Africa.

Mr. Johnston: Mr. Speaker, considering the extent of our aid to various members of the Commonwealth, what steps then would Canada take to prevent the diversion of Canadian funds into questionable political and possibly military ventures?

Mr. MacEachen: Well, Mr. Speaker, we have aid programs with quite a number of countries. In the absence of specific details that funds are being diverted to military purposes I have no comment to make. I do not believe, nor have I any evidence to suggest, that such funds are being diverted for military purposes in any part of the world.

[Mr. Gillies.]

SCIENCE AND TECHNOLOGY

GAP BETWEEN KNOWLEDGE OF NUCLEAR AND OTHER NATIONS—POSSIBILITY OF PROHIBITING SALE OF CANDU REACTORS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. I apologize to him for not having given him notice. I attempted to get in touch with his office. In view of the treaty meeting in Geneva on May 6 based on the gap which exists between scientific and technological knowledge of the nuclear nations as opposed to the rest of the world, which is now proven by the advent of India into the nuclear club, I should like to ask the minister whether an alternative has been worked out and whether Canada is prepared to abide by this alternative and if necessary stop the sale of CANDU reactors?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Well, Mr. Speaker, the question is quite complicated. My colleague, the Minister of Energy, Mines and Resources in December last announced the system of safeguards that would be required for the sale of nuclear materials to other countries.

These safeguards are in place and will be observed. In the case of India we are still conducting discussions with the Indian Government with a view to overcoming the difficulties that have arisen as a result of the exploding of a nuclear device in that country.

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PUBLISHING

PROPOSED LICENSING OF NEWSTANDS—GOVERNMENT POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Secretary of State but in his absence and in the absence of his parliamentary secretary I would direct it to the Government Leader. A recent Canadian Press statement reports the minister as saying that a licensing system may be the next step to ensure that newsstands carry a certain amount of Canadian material. Could I ask the minister whether the guidelines of this proposal would be similar to those the government has suggested for Canadian periodicals which is 80 per cent Canadian content?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think this question should be directed to my colleague.

Mr. Friesen: He is not here.

Mr. Sharp: He was here yesterday and could have been asked the question at that time. He will be back in a few days.

LABOUR CONDITIONS

POSSIBILITY OF INQUIRY UNDER CANADA LABOUR CODE INTO ACTIVITIES OF SEAFARERS' INTERNATIONAL UNION—MINISTER'S POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Labour. In view of the reported statement made outside the House by the Minister of Justice to the effect that he is not ordering a broad inquiry into the activities of the SIU but that there is enough evidence to form the basis for an inquiry under the Canada Labour Code to look into certain labour activities of the SIU, I wonder whether the Minister of Labour could tell us if he is ordering such an inquiry?

● (1440)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am aware of the statement made by the Minister of Justice. The material upon which he came to that conclusion has just very recently come into our possession. We are considering the possibilities the hon. member is suggesting. There are several possibilities under the Labour Code. There is the inquiry and, I believe, under section 196 we have another option in terms of conducting further examinations.

An hon. Member: Snowball.

Mr. Munro (Hamilton East): There is no suggestion of snowball here at all. We just received the material.

An hon. Member: Stonewall.

Mr. Munro (Hamilton East): There is no question of stonewall, either. We just received the information, and if that information justifies appropriate action being taken to correct abuses, we will take that action.

SUGGESTION CABINET COMMITTEE CONSIDER NEED FOR INQUIRY UNDER LABOUR CODE INTO ACTIVITIES OF SEAFARERS' INTERNATIONAL UNION

Mr. Allan Lawrence (Northumberland-Durham): My supplementary is to the Acting Prime Minister, and I want to put it as delicately as I can. In view of the relationship of the Minister of Labour in the past to the SIU, along with some of his cabinet colleagues, and in view of the fact that technically it falls exclusively under the jurisdiction of the Minister of Labour to call for such an inquiry, will the Acting Prime Minister consider the possibility of setting up a cabinet committee composed of colleagues who have not been involved with the SIU to consider this matter?

Mr. Baker (Grenville-Carleton): You won't get a quorum.

Hon. Mitchell Sharp (Acting Prime Minister): I will answer as delicately as possible that I do not think my hon. friend would be satisfied with that sort of inquiry. I have confidence in the Minister of Labour, and I would suggest that questions of the kind which have been put which insinuate something wrongful are contrary to our rules.

AGRICULTURE

BEEF CATTLE—SUGGESTION MINISTER JUSTIFY STATEMENT QUOTAS WORTH $100 MILLION TO PRODUCERS

Mr. Bert Cadieu (Meadow Lake): My question is to the Minister of Agriculture. As the minister has been stating that the imposition of quotas on beef has been worth $100 million to producers, will he make public the calculation by which he arrives at these figures?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I received a letter from the secretary-manager of the Canadian Cattlemen's Association, and he said—if I can use the word—that I was being rather conservative when I said they had gained $100 million by the program, and he can present figures which show that it was much more than $100 million.

BEEF CATTLE—ALLEGED REDUCTION IN SALES OF BREEDING STOCK

Mr. Bert Cadieu (Meadow Lake): Is the minister aware of livestock sales on breeding stock in western Canada? Almost 50 per cent are going back home rather than going through sales. Is the minister aware of this?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I know is that all the sales of breeding stock, British breeds, held at Calgary and Regina have been better than they ever expected, and some of the best they have had for years. A vast majority of that stock from those purebred breed sales went to the United States of America.

Mr. Cadieu: If the minister would check these figures, he would find that this average represents only the cattle that were sold, not the ones which went back to the farm.

Mr. Speaker: Order, please. The hon. member for Moncton.

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AIR TRANSPORT

LACK OF SERVICE BETWEEN NEW BRUNSWICK AND OTTAWA—GOVERNMENT ACTION

Mr. Leonard Jones (Moncton): Mr. Speaker, my question is directed to the Minister of Transport. Is the minister aware that at the present time there is no direct, regular air service from any point in the province of New Brunswick, and in particular, from the city of Moncton, to the nation's capital, resulting in a very unjust situation for New Brunswickers? Will the minister take immediate steps to rectify this situation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will make an inquiry and tell the hon. member what we are doing about it.

Oral Questions

AGRICULTURE

TOMATOES—EFFECT OF IMPORTS ON CANADIAN GREENHOUSE TOMATO PRODUCERS

Mr. Robert Daudlin (Kent-Essex): Mr. Speaker, my question is for the Minister of Agriculture. Is the minister aware that the imports into the Canadian market of Florida field tomatoes and Cleveland greenhouse tomatoes have so far despressed the price on the Canadian market that Canadian greenhouse tomato producers are being forced to sell their produce, which is only now reaching the height of its season, at a price below the cost of production? If so, what steps is he taking to protect the Canadian greenhouse industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are well aware of the fact that tomatoes from Mexico and the United States have been brought into Canada. There is no substantial increase in the amount of tomatoes which have come here. We think the present situation is temporary because of crop conditions in Mexico and Florida, and we think the market will alleviate itself of this problem.

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AIRPORTS

PICKERING—DATE OF OFFER TO RESIDENTS OF STOUFFVILLE TO PURCHASE HOMES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Public Works. In view of the minister's statement last week with regard to the future Pickering airport noise disturbance that an offer has been made for those residents in Stouffville who want to leave to regard the government as purchaser of last resort, would the minister indicate when the offer was made, to whom it was extended and in what form? It now appears no one in Stouffville has heard of the offer, including the mayor of that town.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, the indication I gave in the House was, perhaps, imprecise in that the details of the offer have not been worked out, but the government will be prepared, as a purchaser of last resort to offer to purchase houses from citizens who wish to move away by reason of noise levels.

Mr. Stevens: Could the minister be more precise as to exactly when the government will be making this approach to the residents of Stouffville?

Mr. Drury: I think perhaps more in the way of details and more in the way of knowledge as to possible noise levels in the future should be worked out before the offer is communicated. Those who wish to avail themselves of this will want to know against what kind of test they will be operating.

[Mr. Marchand (Langelier).]

MANPOWER

REASON MINOR HOCKEY LEAGUE PLAYERS INSTRUCTED TO OBTAIN SOCIAL INSURANCE NUMBERS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. The Ontario Minor Hockey Association has instructed all its affiliates to instruct their minor league hockey players next year to obtain social insurance numbers. Some of these kids are only seven years of age. I would like to know the minister's rationale behind this situation and whether he will ask them to pay into the Canada Pension Plan, UIC and the others.

Hon. Robert K. Andras (Minister of Manpower and Immigration): It would be pretty difficult for a minister to know the rationale. This is the first I have heard of this matter, so I will have to look into it and find out what is happening. I am not sure what they are up to.

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PUBLIC WORKS

DREDGING—POSSIBILITY OF DISCUSSIONS BETWEEN MINISTER AND MR. McNAMARA

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Public Works. I would like to ask him if he took advantage of the recent visit to this city of Mr. McNamara and other members of his band to discuss with them the interesting question of dredging.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I did not take advantage of the recent visit of Mr. McNamara and his band to Ottawa to discuss the dredging question.

Some hon. Members: Oh, oh!

DREDGING—REQUEST FOR OUTLINE OF SAFEGUARDS BEING CONSIDERED FOR NEW CONTRACTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary for the Minister of Public Works. On April 22 and, I believe, again on April 29 the minister indicated that he is pursuing the awarding of dredging contracts, but prior to that time he would have to devise some standards in order to protect the public interest. Can the minister advise today whether those standards have been devised and have been submitted to cabinet for approval in order that the nation can know of them prior to entering into any contracts with dredging companies?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I undertook to make an announcement tomorrow, which I intend to do.

● (1450)

DREDGING—REASON MINISTER DID NOT CONSULT RCMP AND SOLICITOR GENERAL ON SAFEGUARDS FOR NEW CONTRACTS

Mr. Lincoln M. Alexander (Hamilton West): A supplementary, Mr. Speaker. In view of the importance of the

matter, and I do not have to elaborate on that, why did the Minister of Public Works not take the RCMP and the Solicitor General into his confidence with respect to the procedure and safeguards which would be required, as was revealed this morning?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I am not quite sure of this revelation this morning. I have been in close consultation with my colleague, the Minister of Justice, however.

Mr. Alexander: I will repeat it. Why did the minister not contact the Solicitor—

Some hon. Members: Order, order.

Mr. Speaker: One supplementary. The hon. member for Hamilton West.

Mr. Alexander: Why did this minister not contact the Solicitor General and the Commissioner of the RCMP in order to determine what type of safeguards would best serve the public interest? That is a simple question; may I have a short answer?

Mr. Drury: Mr. Speaker, I think that the centre for knowledge in respect of these matters should be properly within the Department of Justice which maintains contact with police forces.

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IMMIGRATION

POSSIBILITY OF VIETNAMESE BEING DECLARED INTERNATIONAL REFUGEES

Mr. Jake Epp (Provencher): Mr. Speaker, my question for the Minister of Manpower and Immigration is supplementary to the question asked by the hon. member for Parkdale. Can any statement be made in respect of the negotiations that have taken place between officials of the minister's department and officials of the United Nations, specifically the High Commissioner for Refugees, about whether there is any possibility of Vietnamese refugees being declared international refugees in order that the international community can place representations before either the PRG or Hanoi in respect of allowing those people who received exit visas, such as were given by Canada, to be reunited with their families?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there has been no decision to declare an international refugee movement as a result of discussions with the United Nations High Commissioner for Refugees. When people are in a country other than their own as a result of the persecution of their country, they become refugees in the eyes of those countries that have signed the covenant, of which Canada is one, and are to be dealt with on an official basis.

The United Nations High Commissioner for Refugees subscribes to this and at the moment is concentrating on potential moves to generally alleviate the situation within Viet Nam, whether it be north or south, on a day by day basis. We are in constant communication, and if there is a change in the decision we will be prepared to subscribe to the conditions. In answer to an earlier question about what we are doing on our own, I said that we would join in any movement the High Commissioner would be disposed to announce later.

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[*Translation*]

INDUSTRY

REQUEST FOR STATEMENT OF NEW TEXTILE POLICY

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

Given the serious situation of Quebec's textile and clothing industry, does he intend to make a statement soon in the House in order to set up a new national policy of textile and clothing in Canada?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have made a number of statements in respect of the government's response to reports of the Textile and Clothing Board. I am awaiting a report with respect to the recent hearings on apparel that took place in Montreal. I should advise the House that I have asked my department to conduct a review of the policy and the Textile Act and this has already begun.

[*Translation*]

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

In the process of review he has just announced, does the Minister of Industry, Trade and Commerce intend to have consultations on the matter with the leaders and workers of that important industry?

[*English*]

Mr. Gillespie: We will be consulting with both the management of the companies and the representatives of the workers, Mr. Speaker. I expect to meet with them very shortly, probably within the next couple of weeks.

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HOUSING

REQUEST FOR EARLY COMMENCEMENT OF CONSTRUCTION ON LEBRETON FLATS PROJECT

Mr. Hugh Poulin (Ottawa-Centre): Mr. Speaker, may I direct a question to the Minister of State for Urban Affairs which relates to the Lebreton flats housing project, within walking distance of this House. It is obvious that since we are in a period of rising unemployment and decreasing housing starts—

Some hon. Members: Question, question.

Mr. Speaker: If the hon. member has a question would he please put it.

Mr. Poulin: —that this project is one of high priority. Yet despite the fact that the land is federally owned, the

planning is in the hands of NCC and CMHC, both federal government agencies—

Some hon. Members: Order, order!

Mr. Poulin: —and has the approval of the mayor of the city of Ottawa, progress is too slow.

Mr. Speaker: Order, please. If the hon. member has a question would he please put it now?

Mr. Poulin: I am at the question, Mr. Speaker. Will the minister advise the House, in view of this concentration of authority and promised co-operation, that he will endeavour to advance the commencement of construction on this site in order to demonstrate that this government with this much support can move projects in an exemplary manner, provide much needed housing and reduce unemployment?

Mr. Danson: Mr. Speaker—

Mr. Speaker: The hon. member for Brandon-Souris.

* * *

POST OFFICE

STRIKE OF LETTER CARRIERS—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Now that negotiations on the ratification of the recent contract with the Letter Carriers Union is reaching the critical stage, particularly in the Montreal area, can the minister bring the House up to date on the progress of those negotiations, particularly the steps he is taking to achieve their successful conclusion?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I want to make it clear to the House that the letter carriers who have been off work during the week were entitled to be because they are in a strike position. They went off work when the national executive insisted that the ratification vote be by secret ballot and placed the Montreal local in trusteeship. They are to be commended for this. In a positive vein, the letter carriers met this morning and agreed to go back to work, hopefully by tomorrow morning.

REQUEST FOR REPORT ON NEGOTIATIONS WITH CANADIAN UNION OF POSTAL WORKERS

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question. In view of this obvious success under the new policy of close consultation and the responsibility displayed by both the National Letter Carriers Union and the majority of the employees, can the minister inform the House if these factors are at play in the negotiations under way with the Canadian Union of Postal Workers?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, it would be misleading the House to say that we have reached the same degree of consultation but we are working at it and I must say the climate is much more positive than it was a week or two ago.

* * *

HARBOURS

HAMILTON—REQUEST MINISTER OF REGIONAL ECONOMIC EXPANSION APPEAR BEFORE COMMITTEE TO EXPLAIN WHAT HAPPENED TO FILE FROM MR. CAMPBELL

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Minister of Transport. Since the Standing Committee on Justice and Legal Affairs stonewalled a very reasonable request to have the minister appear to explain what happened to the Hamilton file from Councillor Campbell, would the minister repeat his earlier assurance to the House that he would be glad to appear at the committee and testify so that this particular aspect of the matter can be clarified.

Mr. Speaker: Order, please.

Mr. Nowlan: Mr. Speaker, I must say, although I was phrasing the question to the Minister of Transport, the Minister of Regional Economic Expansion heard the question and knew what I was getting at. I will ask him the question that I asked almost a month ago. At that time the Minister of Regional Economic Expansion said that he would be only too glad to appear before the appropriate committee to clarify all uncertainties on the Hamilton harbour problem and the allegations in particular levelled by Councillor Campbell. The Standing Committee on Justice and Legal Affairs is seized with this matter and there was an interesting precedent when the Minister of Supply and Services volunteered to appear. Would the Minister of Regional Economic Expansion agree to appear to help clarify this matter?

● (1500)

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, once again I have to say that in answering that question I would be going against the ruling of the Chair, according to which I cannot be asked questions on this matter. I do not want to avoid the answer. There is a short, one word answer with regard to the substance of the question the hon. member asked me. It is this: I had no awareness of the matter in question and the matter, as far as I know, has been cleared up by the appearance before the committee of the Solicitor General and the Minister of Supply and Services. There is really nothing I can add to that.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker—

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

Mr. Speaker: The hon. member for Ottawa Centre is recognized on a question of privilege.

Some hon. Members: Oh, oh!

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, my question of privilege relates to the serious substance of the

question I asked of the Minister of State for Urban Affairs. He was about to answer. In view of the many powers he possesses and since the NCC, CMHC and the government own the land in question, why cannot we move quickly with the project alluded to? I submit that the minister was prepared to answer, and I rise, on a question of privilege, to ask that he be allowed to do so.

Mr. Speaker: Order, please. I am sure the hon. member realizes that the Chair exercises discretion, both as to the context of questions, the length of preamble and the nature of the answer which may be anticipated. On occasion the Chair may have to rule quickly that a question ought not to be answered and ought not take up the time of the question period in that particular form. That is the discretion the Chair exercised at that particular time.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, may I ask the government House leader about the business for this week and next week? While he is answering, could he tell me, now that Bill C-32 has almost passed through parliament, if he intends to set aside six days for a budget debate in the month of May?

Mr. Sharp: Mr. Speaker, may I first deal with the immediate program which I suggest should come before the House. This afternoon we will continue the second reading debate on Bill C-41. That debate will continue tomorrow. If it is concluded either before or during tomorrow's session we will take Bill C-57. If we dispose of that bill, we will take Bill S-15 in the name of the Minister of Industry, Trade and Commerce. As to the period beyond that, I should like to have consultations with the other House leaders to discuss the possibility of a budget debate and the claims this will make on our time, also the allotted supply days which have not yet been allocated but which we must allocate before the end of June.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I bring to Your Honour's attention the fact that while the House will be discussing Bill C-41 the Standing Committee on Agriculture will be meeting. This will prevent members involved in that committee participating in the debate in this House. I draw this to Your Honour's attention as it seems to be an infringement of the right of members to attend to the business of the House and participate in this debate on agriculture. I ask Your Honour to indicate that in future there is to be no interference with the rights of members to deal with the business before the House. I ask that the agriculture committee not meet at the same time as an agricultural bill is being debated in the House.

Mr. Speaker: Order, please. I do not think there is much point in allowing this point of order to go further. The fact is that the Chair does not exercise any authority whatsoever over the scheduling of standing committees.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 782, 889, 1,288, 1,338, 1,341, 1,666, 1,667, 1,668, 1,682, 1,782, 1,801, 1,804, 1,830, 1,858, 1,874, 1,876, 1,879, 1,882, 2,017, 2,034, 2,052, 2,073, 2,077, 2,086, 2,155, 2,157 and 2,199.

Mr. Speaker, if question No. 564 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions No. 1,539 and 1,888?

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

[*Text*]

PUBLIC SERVICE EMPLOYEES

Question No. 782—**Mr. Clark (Rocky Mountain):**

1. Does the government know the names of individuals who worked in the Office of the Prime Minister, in the Privy Council Office or as a Research Assistant, Special Assistant, Executive Assistant, Secretary, Advisor, Consultant or in any other capacity in or for the office of any Minister or Minister of State from 1963 to the present?

2. What is the (a) name (b) position (c) job description of each of those individuals who are presently in the Public Service or employed by (i) Atomic Energy of Canada Limited (ii) the Bank of Canada (iii) the Canada Council (iv) the Canadian Broadcasting Corporation (v) the Canadian Commercial Corporation (vi) the Canadian Dairy Commission (vii) the Canadian Film Development Corporation (viii) the Canadian International Development Agency (ix) the Canadian Radio-Television Commission (x) the Canadian Transport Commission (xi) the Canadian Wheat Board (xii) the Central Mortgage and Housing Corporation (xiii) the Office of the Chief Electoral Officer (xiv) the Defence Research Board (xv) the Economic Council of Canada (xvi) Eldorado Nuclear Limited (xvii) the Federal Court of Canada (xviii) the Food Prices Review Board (xix) the Foreign Investment Review Agency (xx) the Fresh Water Fish Marketing Corporation (xxi) Information Canada (xxii) the National Capital Commission (xxiii) the National Energy Board (xxiv) the National Farm Products Marketing Council (xxv) the National Film Board (xxvi) the National Gallery of Canada (xxvii) the National Harbours Board (xxviii) the National Research Council of Canada (xxix) the Representation Commissioner (xxx) the Science Council of Canada?

Hon. Mitchell Sharp (President of the Privy Council): The information requested is not readily available to provide an accurate answer to this question. The costs in manpower and time to undertake the very large amount of work which would be required to gather such detailed data as is obtainable for the period covered by the question, would be prohibitive.

DIRECTORSHIPS HELD BY CABINET MINISTERS

Question No. 889—**Mr. Knowles (Winnipeg North Centre):**

1. Are any Ministers who are members of the present Cabinet directors of any companies or corporations and, if so, which Ministers, of what companies or corporations are they directors, and at what date

were any directorships presently held by such Cabinet Ministers assumed?

2. Did any Ministers who are members of the present Cabinet resign any directorships on being sworn of the Privy Council and, if so, which Ministers, on what dates and from what companies or corporations?

3. Did any Ministers who are members of the present Cabinet resign any directorships during the twelve months immediately prior to being sworn of the Privy Council and, if so, which Ministers, on what dates and from what companies or corporations?

Hon. Mitchell Sharp (President of the Privy Council): 1. It is government policy as stated in the House of Commons by the Prime Minister on July 18, 1973, that ministers cannot hold directorships in commercial or other profit-making corporations.

2. Yes. See Order for Return of March 14, 1966 and October 18, 1973; Debates of the House of Commons for October 7, 1968; Hon. Robert Andras: Gibson Motors (1962) Limited, Resigned: September 18, 1969; Gibson Lease and Rentals Limited, Resigned: September 18, 1969; Andras Hague Limited, Resigned: November 1, 1969, and Stratwin Limited, Resigned: November 1, 1969; Hon. Barney Danson: Resigned his directorships effective December 17, 1974, in Danson Corporation Limited and Appelco Canada Limited, a subsidiary of Danson Corporation. Hon. Hugh Faulkner: Helix Investment on November 27, 1972; Hon. Jeanne Sauvé: Bushnell Communications Limited, November 28, 1972, Radio Station CKAC in Montreal, December 1, 1972.

3. Yes. The Hon. Alastair Gillespie resigned his directorship of W. J. Gage Ltd. in September 1970.

PROMOTIONAL CAMPAIGN "WHY NOT?"

Question No. 1,288—**Mr. Beatty:**

1. What is the total cost to the taxpayer of the present promotional campaign by the Minister responsible for the Status of Women that invites Canadians to write for a "Why Not?" pin?

2. How many of the 167 recommendations in the 1970 Report of the Royal Commission on the Status of Women in Canada have been implemented by the government in the more than four years since the Report was received?

3. If the "Why Not?" pin campaign proves effective in the improving the status of women in Canada, will the government be giving consideration to issuing "WIN" buttons as part of its war on inflation?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. As of January 24, 1975, the total cost of the promotional campaign information relating to International Women's Year is $750,000. This includes the cost of purchasing advertising space in newspapers and advertising time on radio and television, as well as the production, mailing and handling costs of the newspaper advertisements, radio tapes and television clips. The cost of responding to the requests arising from these advertisements is not available at this time.

2. The following outlines the current standing of the 122 recommendations of the Report of the Royal Commission on the Status of Women which fall within federal jurisdiction: 69 have been implemented. 8 will be implemented when the legislation presently before the House is passed. 8 will be covered by legislation which has been announced by government. 9 recommendations require administrative action and measures are presently being taken to implement them. 8 have federal provincial implications and are presently being considered with the provinces. 8 have been partially implemented. 12 have not been implemented.

3. See *Beauchesne's Parliamentary Rules and Forms*, Fourth Edition, Citation 171 (a) (g) (j) and Citation 181 (3).

[Mr. Knowles (Winnipeg North Centre).]

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—ADVERTISING COSTS

Question No. 1,338—**Mr. Huntington:**

1. What was the total cost of advertising in the Department of National Health and Welfare for the years 1972-73 and 1973-74?

2. What was the breakdown of the programmes against the total cost of advertising for these years?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. For 1972-73: $30,040. For 1973-74: $197,743.

2. See table:

	1972/73	1973/74
Policy Research and Long Range Planning		
Policy and Program Development and Co-ordination	N/A	$1,230
Fitness and Amateur Sport		
Sport Canada	$1,786	2,205
Recreation Canada	5,874	
Administrative Centre for Sport and Recreation	2,072	4,148
Medical Services	9,378	7,022
Canada Pension Plan	3,790	173,223
Health Protection	7,083	6,344
Income Security		
Old Age Security		778
Administration	55	2,793

POST OFFICE DEPARTMENT—ADVERTISING COSTS

Question No. 1,341—**Mr. Huntington:**

1. What was the total cost of advertising in the Post Office Department for the years 1972-73 and 1973-74?

2. What was the breakdown of the programmes against the total cost of advertising for these years?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. The total cost of advertising was: 1972-73, $1,945,851; 1973-74, $2,002,732.

2. 1972-73, Marketing and Philatelic programs, including Postpak, Certified Mail, Telepost, Money Orders, Assured Mail, New rates, etc., $740,716; National Coding Program, $548,109; Operational Support, including Mail Early, Correct Addressing, Corporate, Transportation Tenders, and regional advertising, etc., $657,026; Total, $1,945,851. 1973-74: Marketing and Philatelic programs, including Assured Mail, Certified Mail, Postpak, Postal Standards Money Orders, Postal Stationery, etc., $799,609; National Coding Program, $655,984; Operational Support including, Mail Early, Corporate, Educational, Correct Addressing, Regional Advertising, etc., $547,139; Total, $2,002,732.

*CUSTOMS BUILDING, WANETA, BRITISH COLUMBIA

Question No. 1,539—**Mr. Brisco:**

1. (a) Is the national average for a house of wood frame construction $23.25 per sq. ft. (b) does a one-storey wood frame building 50'x25' contain 1,250 sq. ft. (c) what is the cost per sq. ft. of a customs building to be constructed at Waneta, British Columbia?

2. How does the Department of Public Works justify such a high cost per sq. ft?

3. Are there very high temperatures in the Waneta area during the summer months and very low temperatures and heavy snow loads during the winter months and, if so, for what reason are sky-lights called for in the construction of this building?

4. (a) How will this building be heated in the winter months and at what cost per year (b) how will it be cooled in the summer months and at what cost per year?

5. (a) Is there provision in the basement of this building for a well (b) has provision been made in the plans for periodical removal of the well casing (c) would the building have to be jacked up in order to remove the well casing (d) for what reason was this well not placed outside the building?

6. What indication has the Department of Public Works received from either Canadian or United States authorities that this port of entry will have increased traffic loads to justify the expense of this contract?

7. Are there several thousands of dollars in extras that can be charged to the Department over and above the contract price and, if so (a) what is the total cost of all proposed extras (b) what comprises these extras?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in view of the length of the response to this question I wonder if it could be printed in *Hansard* as if it had been read.

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

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

1. (a) Yes; (b) Yes; (c) The cost per sq. ft. of the building is $41.56.

2. The contract was awarded to the lowest of five reputable bidders. Although the national average for a house of wood frame construction is quoted by CMHC as $23.25 per sq. ft., current costs in the Penticton-Trail, B.C. area are running at $35 per sq. ft. It should be noted that these average costs reflect savings derived from volume construction whereas there is no volume construction involved in the construction of a public building. Also, the Customs Building at Waneta is of steel frame and masonry construction with a ceiling height that varies between 12′ 0″ and 20′ 0″. In addition, the cost includes air conditioning and additional public toilet facilities as well as other characteristics not found in the average house of wood frame construction such as: basement construction completely below grade; reinforced concrete basement walls; insulated basement walls; reinforced concrete main floor; angular shape building; minimum maintenance roof; interior rain water leaders; larger eaves and overhangs; increased window areas; wider commercial type entrances; brick & block interior partitions; better quality heating system; better quality lighting (high intensity). The cost of the Waneta Customs Building compares favourably with that of other similar prestige buildings in the area.

3. Yes. There are no sky-lights in the building proper. Sky-lights are provided in the canopies to provide light for customs inspections.

4. (a) Oil fired hot air heating estimated to cost $590.00 per year. (b) Roof top air-conditioning estimated to cost $200.00 per year.

5. (a) No; (b) Yes; (c) No; (d) The well is outside the building.

6. Traffic loads are taken from a U.S. Environmental Impact Study prepared by the State of Washington and a study of Highway 22A prepared by the B.C. Department of Highways. Both studies indicate a very substantial increase in trans border traffic.

7. No. (a) Not applicable; (b) Not applicable.

PRIME MINISTER'S OFFICIAL RESIDENCE

Question No. 1,666—**Mr. Cossitt:**

1. What was the total cost for all aspects of the Prime Minister's Official residence in Ottawa for the fiscal year 1973-74 including a breakdown of the total showing (a) insofar as the National Capital Commission is concerned (b) insofar as the Department of Public Works is concerned (c) insofar as the Prime Minister's and the Privy Council Offices are concerned?

2. For each, what is the breakdown of costs under all possible headings including (a) salaries and wages (b) contract services (c) supplies (d) sundries and entertainment (e) construction and alterations (f) maintenance?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the National Capital Commission, the Department of Public Works and the Prime Minister's and Privy Council Offices as follows: 1.

	(a) $36,927.00	(b) $221,005.03	(c) $73,053.00
2.	(a) $21,566.00	$ 4,438.27	$54,694.00
	(b) 1,809.00	126,570.17	Nil
	(c) 4,646.00	89,196.53	12,739.00
	(d) 559.00	800.06	5,620.00
	(e) 8,347.00	800.06	Nil
	(f) Broken down under (a) to (d)	800.06	Nil

PRIME MINISTER'S OFFICIAL RESIDENCE

Question No. 1,667—**Mr. Cossitt:**

1. What was the total cost for all aspects of the Prime Minister's Official residence in Ottawa for the fiscal year 1974-75 up to and including the last month for which figures are available, including a breakdown of the total showing (a) insofar as the National Capital Commission is concerned (b) insofar as the Department of Public Works is concerned (c) insofar as the Prime Minister's and the Privy Council Offices are concerned?

2. For each, what is the breakdown of costs under all possible headings including (a) salaries and wages (b) contract services (c) supplies (d) sundries and entertainment (e) construction and alterations (f) maintenance?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the National Capital Commission, the Department of Public Works and the Prime Minister's and Privy Council Offices as follows: 1.

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	(a) $31,322.00	(b) $46,048.00	(c) $77,405.00
2.	(a) $20,347.00	$ 3,712.00	$61,405.00
	(b) 2,155.00	37,138.00	Nil
	(c) 5,896.00	3,577.00	15,000.00
	(d) 108.00	1,621.00	1,000.00
	(e) 2,816.00	1,621.00	Nil
	(f) Broken down under (a) to (d)	1,621.00	Nil

PRIME MINISTER'S SUMMER RESIDENCE

Question No. 1,668—**Mr. Cossitt:**

1. What was the total cost for all aspects of the Prime Minister's summer residence at Harrington Lake for the fiscal year 1973-74 including a breakdown of the total showing (a) insofar as the National Capital Commission is concerned (b) insofar as the Department of Public Works is concerned (c) insofar as the Prime Minister's and the Privy Council Offices are concerned?

2. For each, what is the breakdown of costs under all possible headings including (a) salaries and wages (b) contract services (c) supplies (d) sundries and entertainment (e) construction and alterations (f) maintenance?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the National Capital Commission, the Department of Public Works and the Prime Minister's and Privy Council Offices as follows: 1.

	(a) $26,784	(b) $15,393.04	(c) $2,567
2.	(a) $16,337	$ 1,986.89	$2,567 plus official residence Ottawa staff as required
	(b) 6,591	8,076.70	Nil
	(c) 1,820	3,243.08	(c) and (d) expenditure included in operation of official residence Ottawa
	(d) 2,036	2,086.37	
	(e) Nil	2,086.37	Nil
	(f) Broken down under (a) to (d)	2,086.37	Nil

CANADA—UNITED KINGDOM TALKS ON SOCIAL SECURITY

Question No. 1,682—**Mr. Munro (Esquimalt-Saanich):**

1. Did talks between the British and Canadian authorities take place last April on a reciprocal agreement between the two countries on social security and, if so, what progress can be reported on these talks?

2. (a) In what areas, e.g. pension payments, medical benefits or whatever, is there disagreement still to be resolved (b) for what reason are these talks so protracted?

3. Is there a date fixed on which talks are to be resumed and, if so, what is that date?

4. Is the scheme for Canada to assume payments in Canada for British pensioners and Britain to assume payments in Britain for Canadian pensioners, or will each country continue to look after its own migrant pensioners?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): 1. Late in March, 1974, the deputy minister of National Welfare had conversations with British officials in London covering the British Green Paper on tax credits as well as social security relationships and developments in the two countries. While better understanding was achieved as to the internal workings of the two systems, it also became clear that the current state of legislation in the two countries precludes the reaching of a reciprocal agreement at this time.

2. (a) and (b). At this stage, the problem in reaching a bilateral reciprocal agreement does not lie with different types of benefits but rather the different provisions of the legislation in the two countries.

3. No date has been fixed for further conversations.

4. As noted in (2) above, the different provisions of legislation in the two countries will require examination of a variety of possibilities.

FISHERMEN—LICENSING PROGRAMME

Question No. 1,782—**Mr. Marshall:**

With reference to the licencing programme under the Department of the Environment, what are the names of all bona fide fishermen in the following communities in St. George's Bay, Western Newfoundland (a) Codroy (b) Highlands (c) St. David's (d) Jeffreys (e) McKays (f) Robinsons (g) Heatherton (h) St. Theresa's (i) Flat Bay (j) St. George's (k) Barachois Brook (l) Stephenville Crossing (m) Stephenville (n) Port au Port (o) Felix Cove (p) Campbell's Creek (q) Abraham's Cove (r) Ship Cove (s) Lower Cove (t) Sheaves Cove (u) Marches Point (v) Red Brook (w) Degras (x) Cape St. George (y) Mainland (z) Three Rock Cove (aa) Lourdes (bb) Winterhouses (cc) Black Duck Brook (dd) West Bay (ee) Piccadilly (ff) Boswarlos (gg) Point au Mal (hh) Aguathuna (ii) Fox Island River?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): It is a long-standing departmental policy not to divulge information, concerning individual persons and companies, which has been obtained in confidence for statistical and management purposes. To do so could seriously undermine the department's statistical system by casting doubt on the department's credibility in its assurances to fishermen and processors that all information secured from them is maintained in the strictest of confidence.

CANADA-UNITED STATES SALMON NEGOTIATIONS

Question No. 1,801—**Mr. Reynolds:**

1. What is the scheduled date for the start of Canada-US Salmon negotiations?

2. How long does the government expect such negotiations to last?

3. How many fishermen in the Province of British Columbia will take part in the negotiations?

4. What are the names, departments and addresses of the members of the official Canadian delegation?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. The starting date for the next round in the Canada/USA salmon negotiations has tentatively been set at May 28, 1975.

2. It is expected that these talks will last for seven to ten days, depending upon the progress made towards reaching an agreement.

3. Ten commercial fishermen or representatives of commercial fishermen, two representatives of sport fishermen and two representatives of fish buyers and processors will

act as advisors to the Canadian delegation in these negotiations.

4. A proposal for the official Canadian delegation has not yet been submitted to government for approval.

DOUBLE TAXATION BETWEEN GOVERNMENT OF CANADA AND SOUTH AFRICA

Question No. 1,804—**Mr. Rodriguez:**

1. Is there an agreement relating to double taxation between the Governments of Canada and South Africa and (a) if so, does it extend to Namibia (b) if not (i) for what reason (ii) has the government been approached by Canadian corporations to have this agreement extended to Namibia?

2. Are Canadian corporations making payments to South Africa on their operations in Namibia either by way of income taxes, annual fees, royalties or licenses and, if so, do they receive credit from the government for such amounts paid?

3. Has the government advised the Government of South Africa of its support of the International Court of Justice advisory opinion that the Republic of South Africa is in illegal possession of the territory of Namibia and, if so, will the government recognize and allow, as a tax deduction, tax payments, fees, royalties or licenses made by a Canadian corporation operating in Namibia to the UN Council for Namibia?

4. Are Canadian diplomatic consular and commercial relations with Namibia not normal and, if not (a) has the government advised Canadian corporations that they are investing in Namibia at their own risk (b) how was this information conveyed to these corporations in Namibia?

5. Are there any official statements, bulletins or memoranda issued by the government to such corporations and, if so, will the government Table such material?

6. Has the government communicated to Canadian corporations doing business in Namibia, the United Nations Council for Namibia decree on the Natural Resources of Namibia, adopted at its 209th meeting on September 27, 1974?

7. Has the government any intention of asking to be seated on the UN Council for Namibia?

8. Has the government given any financial support to the UN Council for Namibia and, if not, is any such financial support contemplated?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Finance and External Affairs as follows: 1. An agreement for the avoidance of double taxation and the prevention of fiscal evasion between Canada and South Africa was signed on September 28th, 1956 and entered into force in the following year. The agreement does not extend to Namibia—there is no provision in the agreement for its extension. Canadian corporations have approached the government to have the agreement extended to Namibia.

2. Canadian corporations making payments of income tax on their operations in Namibia would be entitled to a foreign tax credit under the provisions of section 126 of the Income Tax Act. That section provides relief for any income or profits tax paid to the government of a country other than Canada including the government of a state, province or other political subdivision of a foreign country. Taxes other than income taxes and fees, royalties and other payments to a government would not qualify for a foreign tax credit under section 126. Such expenditures would ordinarily qualify for deduction as an expense in calculating the income from carrying on a business by a corporation.

3. The government of South Africa has been advised of Canada's support of the advisory opinion of the International Court of Justice. Under existing law, the foreign tax credit to which a corporation is entitled is restricted to any income or profits taxes paid to the government of a country or of a political subdivision thereof. The question of providing a credit against the Canadian corporate tax for income taxes paid to the United Nations or any other international organization has not yet arisen. Should such taxes by imposed, the government would be prepared to consider the necessary amendment to the Income Tax Act to permit a credit for such taxes.

4. Relations with Namibia are not normal. (a) Yes. (b) Some of the major Canada based corporations operating in Namibia have been informally advised of the government's policy. Although no formal written advice has been given to them, the government's policies have been clearly enunciated in various public statements by the Secretary of State for External Affairs and other Canadian representatives in Canada, in the United Nations and elsewhere.

5. There are no such documents.

6. No.

7. No.

8. The government has not yet given any financial support but is contemplating doing so.

POLLUTION LEVELS—CANADIAN COPPER REFINERS IN MONTREAL

Question No. 1,830—**Mr. Saltsman:**

Has the Minister of National Health and Welfare examined the environmental problem inside a subsidiary of the Noranda smelting operations, namely the Canadian Copper Refiners in Montreal, to determine whether the company is exceeding the permissible pollution levels of arsenic hydride (AsH3) or arsine and, if so, did they exceed the permissible in-plant concentrations of 0.050 ppm?

Hon. Marc Lalonde (Minister of National Health and Welfare): No. The legislative control of the workplace environment comes under provincial legislation.

CONSOLIDATED AVIATION AND SERVICES (PACIFIC) LTD. CONTRACTS

Question No. 1,858—**Mr. Reynolds:**

Does Consolidated Aviation and Services (Pacific) Limited have any maintenance or any other type of contract for services with the government and, if so (a) on what date were such contracts signed (b) on what date do they expire (c) what is the value of each?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Defence, Public Works, Supply and Services and Transport as follows: No.

AIR CANADA EXECUTIVES

Question No. 1,874—**Mr. Mazankowski:**

Are Air Canada executives required to divulge details of their land, business and investment holdings and, if not, in light of Mr. Yves Ménard's resignation, is Air Canada planning to require their executives to divulge their holdings?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: Air Canada

has been working on a policy and guidelines on outside interests for some time now. Proposals will be submitted to the board of directors shortly.

LOSSES ON SPECIFIED SUBDIVISIONS

Question No. 1,876—**Mr. Mazankowski:**

1. For each year 1970 to 1974 what were the calculated losses for providing rail service, excluding passenger, for (a) CNR Subdivision Bonnyville, Edmonton to Grand Centre (b) CNR Subdivision Coronado, Edmonton, St. Paul, Heinsburg (c) CPR Subdivision Willingdon, from Musidora to Lloydminster?

2. For each Subdivision what amount was (a) claimed by the railways under the provisions of the Railway Act (b) paid in lieu of claims by the government?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. (a, b) CNR, to date has not filed subsidy claims for these lines. (c) CP's Willingdon subdivision extends from Lloydminster at Mile 0.0 through Musidora at Mile 80.8 to South Edmonton at Mile 174.5. CP's claim for this line encompasses the uneconomic portion of the line from Mile 1.4 to Mile 162.8. Latest claimed losses for Mile 1.4 to Mile 162.8 were: 1970—$783,426; 1971—$1,031,215; 1972—$923,274; 1973—$904,921 and 1974—$1,125,661 (preliminary estimate).

2. (a) CNR, to date has not filed subsidy claims for these lines and no payments have been made in respect of these lines. (b) CPL submitted the following claims for losses under Section 258 of the Railway Act for the years 1970 to 1974 for the Willingdon subdivision from Mile 1.4 to Mile 162.8 and were paid the following:

Year	Claimed Actual Loss $	Paid to Date $
1970	783,426	599,657
1971	1,031,215	822,367
1972	923,274	786,455
1973	904,921	759,011
1974	1,125,661	1,013,871

TRANSPORT—REVENUE DERIVED FROM LINE MUSIDORA TO LLOYDMINSTER, ALBERTA

Question No. 1,879—**Mr. Mazankowski:**

1. What is the total revenue derived on the rail line from Musidora to Lloydminster, Alberta?

2. What is the total revenue under statutory rates for the line?

3. What is the total mileage from Musidora to Lloydminster?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. The total revenue derived on any rail line consists of revenue from carload traffic, leases and other agreements. Total revenue from carload traffic on the rail line from Musidora, Mile 80.8, to Mile 1.4 (excluding Lloydminster) was: 1970, $419,316; 1971, $538,607; 1972, $546,894; 1973, $466,342. Total revenue for 1974 is not available at this tir .. Revenue from leases and other agreements was in th $3,000 to $4,000 range per year.

2. Total revenue under statutory rates from Musidora, Mile 80.8 to Mile 1.4 (excluding Lloydminster) was: 1970, $387,081; 1971, $524,790; 1972, $526,216; 1973, $440,554. Total revenue under statutory rates for 1974 is not available at this time.

3. Total mileage from Musidora to Lloydminster is 80.8 miles.

IRISH MOSS

Question No. 1,882—**Mr. Macquarrie:**

1. For each of the past ten years, what was the total (a) volume (b) value of Irish moss harvested in each of the Atlantic Provinces?

2. What steps are being taken to construct a carageen extraction plant in Prince Edward Island?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Insofar as Statistics Canada is concerned: 1. The table following shows the amount and value of Irish Moss harvested in each of the Atlantic Provinces for the past ten years.

Amount and Value of Irish Moss Harvested Atlantic Provinces 1965–1974

Note: All data shown in thousands of pounds and dollars

Year	Newfoundland		Prince-Edward Island		New Brunswick		Nova Scotia		Total	
	Weight	Value	Weight	Value	Weight	Value	Weight	Value	Weight	Value
1965	—	—	17,139	258	—	—	22,152	346	39,291	604
1966	—	—	24,464	402	949	14	25,596	556	51,009	972
1967	—	—	47,926	1,216	1,142	25	30,262	1,062	79,330	2,303
1968	—	—	53,656	1,168	1,244	27	32,149	1,081	87,049	2,276
1969	—	—	51,789	1,209	3,756	99	40,851	1,438	96,396	2,746
1970	—	—	66,522	1,588	7,804	243	31,293	1,036	105,619	2,867
1971	—	—	50,763	937	3,293	88	26,439	727	80,495	1,752
1972	—	—	30,477	594	2,389	68	21,288	599	54,154	1,261
1973	—	—	49,123	1,172	2,275	70	23,483	717	74,881	1,959
1974	32	2	76,036	3,106	10,332	469	45,577	2,255	131,977	5,832

In so far as the Department of Industry, Trade and Commerce is concerned:

2. No steps are currently being taken to construct a carageen extraction plant in Prince Edward Island.

[Mr. Marchand (Langelier).]

In so far as the Department of Industry, Trade and Commerce is concerned: 2. No steps are currently being taken to construct a carageen extraction plant in Prince Edward Island.

*DERAILMENT OF MAIL CAR

Question No. 1,888—**Mr. Dinsdale:**

1. In connection with the derailment at Thunder Bay recently, were empty mail bags found in the vicinity?

2. Was mail stolen and, if so, what action has been taken to recover the stolen mail and apprehend and prosecute the offenders?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Mr. Speaker, the answer to the first part of the question is yes. As for the second part, the answer is that the derailment of train 214 on 9 February 1975 near Caramat, Ontario involved a car containing mail which broke open. The incident occurred in a remote area and it was only possible to provide some degree of protection from the local looters on the following day. Mail bags were cut open and mail scattered by the looters who wanted the bags to cart large amounts of meat, etc. While operating under most difficult and at times violent circumstances, railway and police officials endeavoured to protect the mail and it is believed that most of the mail (including register despatches) was recovered although some of it was badly water damaged. Normal procedure applies where anyone will be liable to prosecution if sufficient evidence is obtained to indicate the theft of mail or possession of stolen mail.

SUPPLY AND SERVICES—PRACTICES AND POLICIES RESPECTING BUYING

Question No. 2,017—**Mr. Reynolds:**

1. What degree of standardization has taken place in the area of purchasing over the past five years within the Department of Supply and Services?

2. What are the practices and policies now in force respecting the buying, delegation of authority and tendering procedure for contracts?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The number of customer departments and agencies has increased from 125 in 1970 to 141 in 1975. Approximately 15,000 items have been catalogued by the Supply Administration, of which some 7,000 are common items in use by several departments and agencies.

2. The steps in the procurement process which include the tendering procedure have been tabled in response to Question 2,008. Equality of opportunity to compete for government contracts, fair value for the taxpayer's dollar and optimum service to customer departments and agencies are the key policies followed by the Supply Administration. Delegation of authority to Supply Administration Officials is compatible with the level of responsibility. For example, the level for Directors' General approval of entry into competitive contracts is $250,000, Directors' $150,000, Division Chiefs' $100,000 and contracting officers' $15,000.

Order Paper Questions

TRAINING AT NATIONAL INTELLIGENCE ACADEMY, FORT LAUDERDALE, FLORIDA

Question No. 2,034—**Mr. Rodriguez:**

1. Have any Canadians trained at the National Intelligence Academy, Fort Lauderdale, Florida and, if so, are any Canadians presently training?

2. Where are the Canadians who trained at the NIA presently located?

3. Who paid the costs of those Canadians who have trained at the NIA?

4. Have any Canadian governments or police departments purchased goods from Audio Intelligence Devices, whose headquarters are in Fort Lauderdale and, if so, where are they being used?

5. Were any Canadian dignitaries escorted to the school by Secret Service agents?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Defence and the Solicitor General (Royal Canadian Mounted Police) as follows: 1. No.

2. Not applicable.

3. Not applicable.

4. No. (National Defence) Yes, for evaluation purposes only at Headquarters, Ottawa (Royal Canadian Mounted Police).

5. No.

DEPARTMENT OF LABOUR—COST OF OPERATION OF PARLIAMENTARY RETURNS OFFICE

Question No. 2,052—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Labour?

Hon. John C. Munro (Minister of Labour): There is no Parliamentary Returns Office as such in the Canada Department of Labour. The Department is a small one with correspondingly small requirements for responses to Parliamentary inquiries. For this reason Parliamentary returns are handled on a part-time basis by several members of the Deputy Minister's Secretariat.

GRANTS UNDER DEVELOPMENT OF MANAGEMENT COURSES

Question No. 2,073—**Mr. Rodriguez:**

With reference to the answer to Question No. 414 (a) what methods of evaluation were used by the department to determine the effectiveness of such gifts (b) if evaluations were done, who did them and will the government Table them (c) are trade and/or labour unions eligible for such grants or contributions and, if not, for what reason?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): (a) Evaluation of particular contributions is made accordingly to the following criteria: 1. There must be an identifiable need, not currently being met, for enhancement of the management capabilities of the applicant association's membership.

2. The management course for which assistance is sought must be capable of making a significant contribution to improving the management competence of a large proportion of the association's membership.

3. The proposed course must deal with subject matter not covered by existing courses or must promise a significant improvement in quality over similar existing courses.

4. The proposed course must represent a significant departure from, or increase in, the normal educational activities of the association to date.

5. The applicant must be a non-profit professional, industry, business or management association that can contribute significantly to the improvement of managerial competence in the industry sector or activity it represents.

6. The applicant must be able to implement the course successfully.

7. The applicant must submit a plan for the proposed course, covering the developmental and operational phases of the course. (b) The evaluation is made case by case by officials who prepare the information on the applicant and his application. The recommendation to accept or refuse an application is made by a committee of officials. The contract with the successful applicant imposes on the association the obligation to report regularly over a period of three to five years on the effectiveness of the course developed. In the government's view, it would not be appropriate to table these evaluations. (c) Labour unions meeting the criteria under (a) could be eligible to apply to develop management retraining or upgrading courses of a type and quality not currently available for their management or for their members who are managers in industry. To date, no such case has arisen.

DEPARTMENT OF HEALTH AND WELFARE—EMPLOYMENT OF MR. DON GREEN

Question No. 2,077—**Mr. Bawden:**

1. Is Mr. Don Green, now employed by the Minister of National Health and Welfare, the same person who ran as a Liberal candidate in Calgary South in the 1974 general election?

2. (a) What are his (i) duties (ii) qualifications for the position (b) who else was considered?

3. Was the fact that he was a Liberal candidate taken into account in a positive way?

4. (a) What are the terms of his contract (b) what is his annual salary or contract salary per month and is this more than the annual basic salary of a Member of Parliament?

5. Does he have an expense account of any kind and, if so, how much in meals, entertainment and air fares has he used in performance of his duties since his appointment?

6. On what date was he appointed?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Yes

2. (a) (i) As Special Assistant to the Minister, Mr. Green performs duties assigned to him by the Minister. (ii) Master of Social Work and experience running a community health clinic and community development projects. (b) The choice of candidates is at the discretion of the Minister concerned.

3. Answered under 2 (b)

4. (a) This is not a contract position. (b) The salary of a Special Assistant is up to $21,000.

5. As of March 18, 1975 the total expenses amount to $1,089.95.

6. October 1, 1974.

[Mr. Clermont.]

NATIONAL DEFENCE—MILITARY PERSONNEL

Question No. 2,086—**Mr. Orlikow:**

How many men and women were members of the Armed Forces as of January 1, 1975 (a) how many were officers with the rank of Captain and above (b) what was the (i) minimum (ii) maximum salary for each such rank?

Hon. James Richardson (Minister of National Defence): The strength of the Armed Forces as of January 1, 1975 was 78,101. (a) The number of Officers with the rank of Captain and above was as follows: General, 1; Lieutenant General, 6; Major General, 26; Brigadier General, 73; Colonel, 300; Lieutenant Colonel, 893; Major, 2,927; Captain, 6,162. (b) (i) and (ii) The minimum and maximum salary for General Service for each rank is as follows:

	Minimum $	Maximum $
General	44,000	54,000
Lieutenant General	33,000	42,000
Major General	29,000	37,000
Brigadier General	25,500	32,500
Colonel	27,000	30,600
Lieutenant Colonel	23,160	26,400
Major	19,260	22,620
Captain	14,160	19,200

UIC—AVAILABILITY OF COPIES OF UIC ACT AND REGULATIONS

Question No. 2,155—**Mr. Gauthier (Roberval):**

May a Member of Parliament receive a copy of all the regulations on the Unemployment Insurance Act and, if not, for what reason?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes. A copy of the Unemployment Insurance Act and Regulations was sent to every Member of Parliament on August 14, 1974.

UIC—NUMBER OF TEMPORARY EMPLOYEES

Question No. 2,157—**Mr. Gauthier (Roberval):**

1. How many "temporary" employees are employed by UIC in (a) each province (b) each regional office in Quebec?

2. How many man-hours are devoted to employee training?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1974 1. (a) Newfoundland, 42; Prince Edward Island, 10; New Brunswick, 94; Nova Scotia, 40; Quebec, 490; Ontario, 1,310 (Head office included—144); Manitoba, 77; Saskatchewan, 28; Alberta, 75; British Columbia, 396; (b) One regional office, Montreal: 103.

2. 98,531.5 man/hours were devoted to employee training in 1974.

TRANSPORT—TENDERS FOR PICKERING AIRPORT

Question No. 2,199—**Mr. Jelinek:**

1. Has DOT called for tenders for the design and construction of the proposed Pickering airport and, if so, to whom were such contracts awarded?

2. Has there been approval or opposition to the proposed Pickering airport from the Councils of the (a) City of Toronto (b) Borough of Scarborough (c) Town of Markham (d) Town of Stouffville (e) Town of Pickering (f) Town of Richmond Hill?

3. How many residents within N.E.F. 30 noise contour are presently affected at Malton?

4. How many residents within N.E.F. 30 noise contour will be affected at Malton (a) without (b) with F.A.R. 36 retrofit by 1980, without a second major airport in Toronto?

5. Have major airlines expressed their agreement to use a second airport in Toronto and duplicate their services and, if so, which ones?

6. How much was spent on the Pickering airport project up to March 31, 1975?

7. What is the projected cost of a completed Pickering airport?

Hon. Jean Marchand (Minister of Transport): 1. No.

2. (a) Yes; (b) Yes; (c) Yes; (d) Yes; (e) Yes; (f) No.

3. Malton, 1973 (latest year for which information is at present available): 30 NEF, 33,000.

4. (a) Malton 1980 with no retrofit or refanning: 30 NEF, 61,000; (b) Complete retrofit by 1980 is not considered to be possible. Evidence was given before the Airport Inquiry Commission on this subject and the Commission's comments were as follows: "The commission is of the opinion that if the retrofit and refan programmes are undertaken the effect will be to prolong the use of the retrofitted and refanned aircraft in order to recover the costs of investment. This, in turn, will result in an inclination by the airlines to meet growth demands by greater use of the retrofitted and refanned aircraft rather than by the introduction of widebodied aircraft. This will result in greater aircraft movements. This, in turn, will negate some of the benefits to be gained from the programmes. As previously noted, an increase in aircraft movements has the effect of expanding NEF contours and thereby increasing the number of people affected by noise from aircraft operations. It should also be noted that as the number of wide-bodied aircraft, which are regarded as quiet aircraft, are increased, the noise from these aircraft will increase. It should be mentioned that while the 747's, DC-10's do meet the requirements of FAR 36, on approach and take-off, they do so only marginally. It should also be noted that as the size of an aircraft is increased, airframe noise will be a significant problem. The commission hesitates to express an opinion as to the date the entire United States fleet will be required to meet the requirements of FAR 36. However, as a result of the determined effort demonstrated by the United States to reduce the level of noise generated by aircraft operations, it is reasonable to assume that by 1985 the entire American fleet will meet the present requirements of FAR 36. The commission is of the opinion that the jet engine and aerodynamics are very complex subjects which will require continued research for an understanding and control of the resulting noise. As a consequence, the present noise levels generated by jet aircraft operations will realistically be with us at least until 1985. While it is difficult to estimate the noise levels

which will be generated by aircraft operations after 1985, it is fair to say that they will never be comparable to the noise level generated by a glider, as some people would have the commission believe. However, it is probable that after 1985, the then noise level from aircraft operations will increase gradually with the probable increase in aircraft movements."

5. Under the role envisaged for the Minimum International Airport, both international scheduled and charter traffic could be assigned to Pickering. An airline consultative committee has been formed and will be meeting in the near future.

6. The total expenditure to March 31, 1975 in the planning and development of the Toronto Area Airports System is $92,156,000. Of this amount some $75,003,000 has been paid to those parties who held a financial interest in the land expropriated at the Pickering site. Included in the balance of expenditures are costs relative to consulting and other professional work to evaluate many alternative sites, develop traffic forecasts, and prepare economic and ecological studies, etc. It would be impractical to maintain separate accounting systems for each site evaluated. Expenditures for the Pickering site are therefore included in the total given.

7. The authorized cost for the construction of the Minimum International Airport, related facilities, and land, approved by the government on February 20, 1975, is slightly in excess of $200 Million. No airport construction at Pickering in addition to this has been approved.

* * *

QUESTION PASSED AS ORDER FOR RETURN

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—PUBLICITY EXPENDITURES

Question No. 564—**Mr. Symes:**

1. What were the amounts of money spent by the Department of Industry, Trade and Commerce on publicity and/or information in each of the fiscal years 1972-73 and 1973-74?

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

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

Return tabled.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed, from Wednesday, April 30, consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the pro-

duction and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in rising to speak on Bill C-41 I cannot help reflecting on what happened to the forerunner of this piece of legislation—Bill C-244, the prairie grain stabilization bill which was introduced in 1971. To put it mildly, the bill had a torrid history. It generated bitter debate and animosity in the minds of western Canadian farmers. It is fair to say that it united prairie producers in their extreme opposition to the measure. That opposition was stiff, and eventually the government withdrew the bill. The Edmonton *Journal* wrote, in an editorial in October, 1971, that the legislation was a disaster. I quote from the editorial:

● (1510)

The withdrawal of the grain stabilization bill is not, as Otto Lang suggested, "a major defeat for the farmer."

It was a defeat for the Trudeau government and for Mr. Lang, who was the federal minister responsible for the bill. It is understandable that he should feel bitter. But there is no reason why the farmers should suffer.

If the Trudeau government is still convinced that it had a good plan for stabilizing prairie grain income, there is no reason why the bill cannot be reintroduced, in a modified form to take into account the criticism the original received in western Canada.

The experience in which we were engaged during that period of time brought forth a better product; the bill is considerably improved. While there are still a number of areas which require clarification and changes, nevertheless it is an improvement over the original legislation.

What were some of the features of the bill to which there was opposition when it was first introduced? The major objection was the $100 million carrot that was dangled in front of the producers. It was an attempt to coerce them into buying the stabilization package. It was made up of money which was due to the farmers at that time under the provisions of the Temporary Wheat Reserves Act. That created a great deal of hostility in the minds of producers across this country.

The second major objection at that time was that the bill failed to take regional considerations into account. That area still requires improvement. I am encouraged by the fact that the minister indicated he may be receptive to some changes in this regard. I hope that in committee some way will be found to take into account the aspects of a failure in any given region. The third major objection to the bill at that time was that it was mandatory for a producer to belong to and pay into a fund. That issue created a great deal of hard feeling. The fourth objection was the fact there was no provision for taking into account increased production and inflation costs.

The fifth major objection was that, based upon the previous five-year prairie grain income, the bill would do nothing more than stabilize grain income across western Canada at the poverty level. We know that at that time the price of grain was very depressed. The hon. member for Assiniboia (Mr. Goodale) shakes his head in the negative. I say to him that was the opinion of every major farm organization in the country at that time. It was certainly the opinion of the hon. member's predecessor and many other members of this House. That was perhaps the major reason for a great deal of the animosity and bitterness that was generated over the bill.

[Mr. Speaker.]

Another area of objection was the fact that payments from the fund were based upon gross, rather than net, income figures. This bill is based upon the same principle as the original stabilization bill, but I think we must give credit to the minister and those who drafted the bill for taking into consideration some of the issues that were raised when it was first considered.

We have objections to this bill: I have already referred to some of them. The bill appears to be very complex in nature. It takes into consideration some of the objections registered against the original bill and some improvements have been made. However, some of our major objections, such as taking into consideration the regional aspect, have not been met. As I said previously, there will have to be some provision for a major failure in a given block. I referred to a snowed-under condition in the Peace River block. This is a common occurrence. An area may be subjected to a drought. Members opposite will suggest these situations can be covered by crop insurance; however, there is the prospect of a whole province suffering a severe calamity, with no hope of drawing a penny from the stabilization fund.

When dealing with this bill it is a good time to take into consideration these problems and, if possible, to incorporate in the legislation a mechanism to deal with them. This bill seems to contain a great deal of legalistic jargon. The hon. member for Regina-Lake Centre (Mr. Benjamin) stated yesterday that it could conceivably become an administrative nightmare. Even the best legal minds find it somewhat difficult to decipher the content and purport of some clauses of the bill. If it does become an administrative nightmare, I suggest that will be good for the minister; it will enable him to provide employment opportunities for prairies Grits.

Mr. Lang: It will be very simple.

Mr. Mazankowski: I hope the minister explains it better than he did in his speech, because there is in the bill a great deal which should be explained much more thoroughly. I hope the minister will do that in committee.

Mr. Benjamin: The farmers want to know.

Mr. Mazankowski: As the hon. member says, the farmers want to have a better understanding of the legalistic jargon contained in the bill. There is room in this bill for a fair amount of streamlining. Hopefully, the minister will be open-minded and will accept some of the suggestions that will undoubtedly be made by members on this side of the House. There are some uncertainties and we want clarification of them. For example, I am somewhat confused about the statement that it is voluntary, yet it is really not voluntary. That statement requires clarification. There are penalties and there are some discriminatory features when one wants to withdraw from the program.

The major objection, however, is the fact that this bill lumps together the whole prairie region. The minister indicated that the regional aspect has been seriously considered and that it is difficult to comply with. However, I feel it should be the subject of further serious consider-

ation. There are areas within the prairie region which could suffer a very severe setback. Under a program like that, if an area suffers a major disaster there should be the option of seeking assistance from the fund. That view was put forward by the Canadian Federation of Agriculture, a respectable and reliable farm organization, in its presentation to the Prime Minister (Mr. Trudeau) and the cabinet on April 7, 1975. It indicated that the proposed grain stabilization program should be changed to benefit regional geographic areas rather that the whole aggregate Canadian Wheat Board area. With the backing of members of the Canadian Federation of Agriculture and, I am sure, other farm organizations, there is good reason for reconsidering this aspect of the bill.

With regard to achieving stability, the individual producer is very important. In order to be effective in bringing about over-all stability in the grain industry we must concern ourselves with the stability of the individual producer. I might compare this legislation to the beef stabilization program to the extent that those who suffer most in terms of loss do not really get any more than those who are able to sell at a reasonable price. In times when markets are seriously depressed and farmers are forced to sell off their animals, it is somewhat unfair that a person who has received, say, 10 cents a pound for his culled cow should get the same amount under the stabilization program as the person who sold his cow for 25 or 30 cents a pound. In addition, there may be a tendency here to protect farmers who have enjoyed good fortune over the past three years, and penalize those who have been unfortunate over that period. For example, a farmer who has experienced three years of crop failure would get only a very small share of the pay-off. It seems to me the plan could be adjusted so as to take this aspect into consideration.

● (1520)

Turning to the provisions for calculating expenses, it is important to note, as has been pointed out already by some speakers, that certain important items are not included, namely, depreciation of capital, interest on debt and interest on equity, as well as costs of labour and management. Surely these items should have their place in any consideration of expenditure. This is an area which warrants further attention.

The Canadian Federation of Agriculture has put forward a number of suggestions which I should like to place on the record because I believe them worthy of consideration. New farmers starting out should have the same privilege of opting out of the program, if they wish to do so, as other farmers will be given over the three-year period. Also, since the question of interest income and interest costs is left to the discretion of the Minister of Finance, as the bill is presently drafted, the federation recommends that interest rates be tied by formula to the rates of government bonds. Further, having suggested that the $25,000 eligibility level may be too low, they point out that it stabilizes the level of net revenue at a figure probably between $15,000 and $22,000.

There may or may not be provision for taking this into consideration, but if there is not there should be. I notice that in the last stabilization bill, provision was made whereby any losses in the Canadian Wheat Board pool account were to be covered out of the stabilization funds established at that time. I have looked through this bill and cannot find any reference to that matter. I raise it now with the idea in mind that the minister may wish to clarify the position when he rises to speak.

A good case might be made for bringing the bill and its administration under the aegis of the Department of Agriculture. I say this bearing in mind that the legislation before us may well prove to be an administrative nightmare. After all, it involves the Department of Industry, Trade and Commerce, the Department of Agriculture, the Wheat Board and the Grains Commission. Moreover, any program aimed at stabilizing returns to farmers is traditionally administered by the Department of Agriculture.

Not unnaturally, the federal government will boast about this legislation and call it a great step forward, designed to improve the lot of the western farmer. We must remember, though, that the bill replaces a number of previous measures which have been discontinued. We know that under the provisions of the Temporary Wheat Reserves Act and under the previous act, PFAA, western farmers received payments amounting, under the former, to $56 million over the last three years in which it was in effect, and in the case of the latter, PFAA, to an amount in the order of $6 million.

Mr. Lang: There is crop insurance in effect now.

Mr. Mazankowski: Yes, there is crop insurance, but I have no figures as to how much the federal government is contributing in that regard. Nevertheless, we are talking in terms of a figure of some $60 million: that is what those two programs represented. When the minister tells us that, had this new program been in effect for the year 1974, it would have meant a pay-out of some $90 million on the part of the federal treasury, I would remind hon. members that we are not looking at that amount of money as new expenditure. The bill is a step in the right direction but it certainly does not justify the minister boasting about it at any great length in terms of additional funds from the treasury.

The minister spent a great deal of time telling us about the bold initiatives his government had taken to assist the grains industry, drawing particular attention to the provisions of the bill we are now considering. In my view, the producers of Canada would be far happier if we were being asked to consider a bill in this House designed to overcome one of the most serious problems we face, that is to say, inability to move their grain effectively. I am talking about labour disruption, labour chaos. The situation facing us today as far as labour is concerned can only be described as a state of anarchy. Producers are frustrated by the continual disruption of the movement of grain as a result of labour unrest and breakdowns in the transportation system.

I know the minister will say that returns to farmers are still better than they have been for the last five years. That is true, but it is little comfort; it does not make up for the waste which has occurred as a result of the government's failure to deal with this question. It is not only the dollars which have been lost as a result of liability for demurrage payments; it is the embarrassment which has been caused to our nation. We are now being classified as

an unreliable shipper of grain. Demurrage charges for the 1974 crop year totalled some $17 million, and we are told the figure will be substantially greater in the crop year which will end this July.

● (1530)

We have lost millions and millions of dollars as a result of failure to ship our grain at a time when prices were high, and the resulting depression of the market has cost producers very heavily. Customers have been lost that will never be regained. The port of Vancouver is a big question mark. It seems that most western producers are now looking to the port of Seattle as a logical substitute. I was talking to members of the Wheat Board this morning and was told that a huge vessel has been in the port of Vancouver since February 11, taking on cargo for Bangladesh under our foreign aid program. It has been there for close to three months being loaded. This is nothing but sheer waste.

I must say that since I have been a member of this House, never before have I sensed the frustration, anger and feeling of anxiety that now exists on the part of western grain producers owing to failure to move their products to market because of strikes and work stoppages, with seemingly no recourse for them. Moreover, I believe the anxiety is compounded by the fact that the producers feel that the federal government hasn't a handle on the situation. We seem to be going from bad to worse. The gentleman in charge of the Canada-Japan Trade Council, Colonel Houston, speaking to the Palliser Wheat Growers Association on January 9 last had this to say:

> Canada is now an enigma to many foreigners. On the specific question of Canada as a trading partner, a business partner, she is now looked upon by many as an unreliable supplier and an uncertain place in which to invest. It should not be necessary, especially before this audience, to stress the degree of our national dependence upon export markets. For Canada, exporting is the very breath of life. All our hopes for an ever-rising standard of living, for remaining in the forefront of developed nations, depends directly upon our ability to maintain and expand our overseas markets—
>
> One of the most frequent causes of disruption in our distribution system lies in the area of labour-management disagreement. In my opinion, this is due to an archaic concept of labour-management relations which has become entrenched in the thinking of government, of labour and of management. This system, involving as it does confrontation, is sadly out of tune with the times and with the circumstances prevailing in this country.

I think that sums up the situation very well. I know that the producers of this country would be very much happier if we were considering legislation to deal with this issue, this crippling enigma, rather than being sidetracked by this bill. No wonder the producers of Canada are angered and frustrated, subjected as they are to the whims of 30 to 35 labour unions involved in the movement of grain. Any one of these labour unions can tie up indefinitely the movement of grain bound for export, with no protection being given to the farmers: they become the sole victims of the irresponsible actions of other groups.

Surely it is time the government recognized that they have a major responsibility in this area to come up with some kind of new mechanism to protect farmers and alleviate financial losses attributed to labour disputes and disruptions, which in turn cause not only lost sales but direct out of pocket expenses on the part of producers. As reported at page 4198 of *Hansard*, the minister in charge of the Wheat Board was asked this question by the hon. member for Battle River (Mr. Malone):

> Mr. Speaker, I wish to direct this question to the minister in charge of the Canadian Wheat Board. Inasmuch as I know of no business where two parties can incur an expense and charge it to an innocent third party, has there been any investigation by the Ministry of Justice as to the legality of charging demurrage to farmers or will there be any investigation as to the farmers' right to sue in relation to demurrage charges?

The minister replied as follows:

> Mr. Speaker, I am sure those against whom demurrage charges are sought are fully aware of their rights with regard to civil liability and will defend accordingly.

I wish the minister would explain in more detail precisely what he means. I am no lawyer, Mr. Speaker, and certainly I am not a dean of law; but if what the minister is saying is true, then the Canadian Wheat Board, being a trustee or custodian of the farmers, should have the option of initiating legal action in the courts against those who are responsible. I am not sure what the minister is saying, but the Canadian Wheat Board is supposed to act on behalf of the farmers, as it does in terms of selling and handling grain. This is why I suggest the Canadian Wheat Board should take the initiative against those who cause disruptions in the movement of grain which result in millions and millions of dollars lost by the producers.

I suggest, Mr. Speaker, that if the minister is not prepared to do something along those lines, then perhaps he should be prepared to recommend to his cabinet colleagues that the federal treasury pick up the tab for these demurrage charges, because that is what the farmers are asking for. In conclusion, if legislation were brought before the House at least to lay the groundwork for dealing with the disruptive effects of strikes and proposing a new mechanism to improve the collective bargaining process, it would be heralded with a great deal more enthusiasm than this legislation.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, while I was not here when the Prairie Grain Stabilization Act was brought forward, I have studied the debate and some newspaper reports of that time. I have also listened very carefully to the hon. member for Vegreville (Mr. Mazankowski), who took part in that debate. I should like to say someting later in my remarks about that act. I can only echo the sentiments of the hon. member for Vegreville regarding labour strife in this country. As I travel across my riding, farmers raise the subject over and over again. They feel, for proper reasons, that they are being done out of income that is properly theirs by the number of unions that are striking in one way or another, thus preventing their product from getting to market and obtaining the best possible price.

I am pleased to take part in this debate on the western grain stabilization bill. Few people today would argue that there is not a great need for stabilization. Rather than lopping off the peak of the prairie farmer's income, we need something that will take into consideration the low prices that many farmers receive for their products. They must obtain the best possible price because of the high input costs they are facing.

● (1540)

As has been said by many members, the bill itself is exceedingly complicated and it is doubtful whether many farmers will fully comprehend its provisions. Because of that, they may be wary about taking advantage of its provisions. I should like to make some comments regarding amendments that we should perhaps move to the Crop Insurance Act, putting into it many of the stabilization benefits contained in this bill. Farmers on the prairies are familiar with crop insurance and are happy with the provisions which have been put forward through which the federal and provincial governments are taking part in respect of payments on crop insurance. Because of this familiarity, I think farmers would be much more open to that type of stabilization than to the complicated procedure put forward in this bill.

It cannot be disputed that stabilization is the only way we can mitigate this roller-coaster type of situation that we have in the agricultural economy. The question is, what kind of stabilization do we need? Let me make some points consistent with those put forward by the notable agricultural economist, Dr. Philip Thair. In 1974 there was a significant increase in realized net farm income over the 1973 farm income level; and the 1973 net farm income was 39.2 per cent higher than that for 1972. In the five years from 1955 to 1960, the average annual change in realized net income over the previous year was 10.3 per cent. In the 1961 to 1965 period, this was 10 per cent, and in the 1966 to 1970 period it was 10.7 per cent.

Suddenly, in the 1971 to 1974 period the average annual change was 36 per cent. There was a consistent average annual increase of around 10 per cent up to that time, and then there was a dramatic increase of 36 per cent. These figures are the Canadian aggregate and do not take into account the variability between regions or commodities. The annual variability in Saskatchewan was almost double the Canadian figure. No industry can endure such changes without suffering severe repercussions.

The virtually inordinate changes in the past two years have served to increase the farmer's vulnerability. Heightened price levels necessarily entail escalating cost commitments which are locked into a fairly rigid upward trend. This means that the farmer becomes more greatly exposed to decreasing product prices, not simply because of profit loss but, more importantly, because of high-priced, fixed input commitments. His entire operation can be jeopardized when product prices slip.

This is certainly true of the cow-calf feedlot industry today. Prices a number of years ago were increasing and reached a peak of over $50 per 100 pounds. At that time farmers made substantial outlays. A number of farmers were enticed into the industry, in some cases by provincial governments and the federal LIFT program. We saw that peak reached and then prices declined to where they are today, somewhere between $35 and $40 per hundred. This has severely jeopardized the position of the farmer who made this capital outlay because of increasing product price, because he now finds himself facing these high capital costs and low product prices.

The proportion of operating and depreciation charges to realized gross income gradually increased from approximately 60 per cent in the mid-1950s to about 70 per cent in the 1968 to 1971 period. Because of the unprecedented and unpredictable market situation in the last three years, this has fallen back to about 60 per cent. However, we must remember that product prices have risen phenomenally and that when these prices soften or fall the proportion, because costs have remained at higher levels or have inflated, will be far in excess of the 60 per cent figure. In fact, prices need only fall slightly in order for the proportion of costs to exceed 70 per cent or 80 per cent on an aggregate basis.

What I am trying to say is that land values are inflating, and machinery prices are escalating rapidly, as is the price of fertilizer and energy. Many input costs are increasing. In fact, we know that the input costs of a farmer are increasing at approximately the rate of 10 per cent, or at a greater rate than product prices have increased in the industry. This is a very serious situation for many farmers with heavy financial commitments who are now facing lower prices.

In the past few weeks we have brought forward legislation in an attempt to entice young people into agriculture. I refer specifically to amendments to the Farm Credit Act. Many hon. members have echoed the words of others who have expressed ideas as to how we should get young people into agriculture. This is very important, but it is also important that these people have their incomes stabilized in order that they can expect a certain end product in 10 or 15 years. The situation must be stabilized or these young people will virtually be thrown out of business.

We must not overlook the fact that the agricultural boom in the last few years has not served to lessen the economic gap between the rich farmer and the poor farmer. The wealthy producer still reigns supreme in the sense of total capital, and being in a stronger position he is able to grow even larger by bringing together the land in his area.

Because of present agricultural instability, the current declining trend in farm enterprises is likely to be perpetuated. Many young men wish to get into agriculture, but this tendency will not greatly moderate the decline in the number of farm enterprises. Many of those who do not commence farming will merely be replaced by older farmers who consider it expedient to increase their profitability by increasing their land holdings. Given the fact that larger farms are now in a more propitious capital position to effect consolidation, I still believe we will be witnessing an ever widening decline in the number of small farming units in Canada, particularly the small family farm units. Stabilization can help the young farmer plan his production cycle so he can see the entire profit picture and know that he will be able to pay back the interest on his principal. Again I would ask, what form of stabilization would be the best?

A great number of the predictions by agricultural economists and people in the Department of Agriculture have been of a shortrun nature. It has been recognized in the past that shortrun forecasts are not extremely reliable because of unpredictable world trends and events, as well as the acts of nature which farmers must face. In order for a farmer to make a relatively accurate decision regarding capital input expenditures, longer run projections are necessary. Yet forecasting in times of great change is

naturally difficult, if not impossible, because the major variables are virtually unknown within certain areas of agriculture.

In summary, we can conclude that farmers are indeed victims of a see-saw economy. Their operations are becoming increasingly more vulnerable and subject to jeopardy because of escalating costs and capital commitments. Distribution income of rich farmers is definitely not equalizing the difference between rich farmers and poor farmers. There is a marked decline in the number of farming units. The most important factors concerning farm enterprises are, essentially, unpredictable.

● (1550)

There is great need for stabilization, but what form should it take? Yields and markets have proven to be, and still are, highly unstable. It would be unwise to stabilize agriculture beyond the point where it could respond to fluctuations in yields and markets. For example, according to this bill, in order to determine whether or by what method stabilization payments are to be made, the minister will calculate the amount of net eligible grain sale proceeds of all producers for each of the five years immediately preceeding the year under review and base his decision upon the average of these proceeds and the average of the proceeds of the relevant year. Surely, given current fluctuating market and yield factors, this basis for determining possible payments is somewhat inaccurate and unreasonable. It is certainly unresponsive to major variables in agriculture. This legislative provision is only one of several which I think should be scrutinized closely and re-examined at the committee stage.

All things taken into consideration, it would seem that a policy based on the insurance principle is the best type of stabilization today. Insurance against low yield and low income is the most logical form of stabilization. The crop insurance program, based on income guarantees, is highly successful. Farmers understand it and are extremely familiar with its benefits. Therefore, would it not be advisable to incorporate the provisions of Bill C-41 into the crop insurance program, with parliament amending the program as required, thereby eliminating the need for new legislation and a new administrative process which would otherwise come about? It is my feeling that following this suggestion would be of great benefit to farmers and it warrants consideration.

I have made a number of points as to why I feel the crop insurance program should be brought into stabilization. Let us go back to the increased administration which will be necessary if this bill is passed. If the minister does not see fit to accept the suggestion of taking another look at the question of whether the Crop Insurance Act can be amended in order to, in effect, stabilize farm income and include within its bounds the variety of proposals contained in this bill, hopefully he will allow an amendment whereby the crop insurance machinery could be used at least with respect to checking inventory on the prairies. This would allow the crop insurance people, who have to go out into the area, to gather this information while they are on the farms and it seems to me it would keep costs down within the government.

[Mr. Schellenberger.]

Let us consider what this administration has been set up to do. It will maintain individual producer records on a calendar year basis for the purpose of calculating levies refundable, prepare an annual statement for each producer, calculate each participating producer's payment, if there is a stabilization payment, and maintain a three-year summary file. The records would have to contain the producer identification number, the name and address of the producer, the cumulative gross grain sale proceeds of the producer, the levy contributions of the producer and the levy refunds paid to the producer.

The administration would be established in Winnipeg as part of Agriculture Canada. The function of this administration will be to receive voluntary levies from producers, effect liaison with the Canadian Grains Commission on levy deductions of licensees, register designated producers, maintain the stabilization fund, maintain producer records, perform public relations matters for the program, answer producers' inquiries, calculate and make stabilization payments and calculate and pay levy refunds.

The minister calls this a simple program. Considering other departments which have been set up, I am sure this would be a large administration, requiring many people, and would cost the government a large amount of money to set up. Perhaps we could use the administration already in existence under the Crop Insurance Act to do many of the things the minister proposes in this bill.

If this bill passes second reading, there is a strong point to be made for allowing the agriculture committee to travel. The precursor to this legislation, the prairie grain stabilization bill, was introduced in 1970 for first reading, did not reach second reading until May of 1971 and was withdrawn from parliament. The reason for the withdrawal was heavy producer opposition. The bill did not allow the farmer to become voluntarily involved, and it involved the government putting $100 million into the fund which, in effect, was perhaps just stabilizing low incomes. Because of the interest of prairie farmers, I think it is essential that the agriculture committee travel and obtain the opinions of farmers in at least 20 or 30 locations in the area under the jurisdiction of the Canadian Wheat Board. I think this is a very important point. I hope the minister will be persuaded to allow the committee to travel, to feel out the proposals of prairie farmers and to learn whether they believe this legislation would adequately stabilize their incomes.

There is a point being made by a number of hon. members which should be dealt with briefly, but dealt with nonetheless. This bill, which deals with the income of prairie farmers, should be under the jurisdiction of the Minister of Agriculture. The Canadian Wheat Board was only set up to deal with the marketing of the product of producers and not with their income. I think it would be consistent of this legislation were under the administration of the Minister of Agriculture. I believe that a very strong case could be made for an amendment in this regard, and it should be brought forward in committee for perusal.

I conclude by saying that I hope a number of the points which have been made will be considered by the minister; that he will consider using the Crop Insurance Act as a vehicle to administer this legislation; that he will consider

the possibility of allowing the committee to travel when the bill is at committee stage; and that the legislation will be brought under the jurisdiction of the Minister of Agriculture.

Mr. Jack Murta (Lisgar): Mr. Speaker, it does not seem very long since we were debating the old grain stabilization bill in this House. We were involved with all the emotions and protests which were apparent at that time. As written, the bill was withdrawn because of farmer opposition. It remains to be seen whether farmers in western Canada are in favour of Bill C-41, the western grain stabilization bill, as it has been reintroduced.

It would be fair to say that the present bill is a better piece of legislation than that brought in some years ago. But there are still many questions to be answered in connection with the grain stabilization bill; there is still the very real question of whether we in the grain growing areas of western Canada really need this program at this time or whether there is an alternative course we should be taking. In saying that, I suppose it could be said that it comes after the fact, because the government has brought in this legislation. However, I think the question is still valid.

We in the opposition are concerned whether to support this kind of legislation on second reading and, more specifically on third reading. Other than raising various questions on the legislation, I am basically neutral: my judgment will be based on the reaction we receive from farmers across western Canada. I echo all the comments of previous speakers about travelling and having the agricultural committee go across western Canada to take a good, in-depth look at what farmers are thinking with regard to grain stabilization. I believe this is necessary and that in some respects it will expedite the work of the committee. It could travel for about ten days and hear all the witnesses, whereas it could take three or four months to hear them if the committee has to conduct all its hearings in Ottawa. That is something we must take into account. Provided the time is ripe politically—in one province of western Canada at least—I hope the minister in charge of the Wheat Board will give consideration to this suggestion.

● (1600)

I started out by asking whether we really need such a scheme for grain. The concept may be valid for produce such as eggs and potatoes, but farm leaders in western Canada will be asking whether such a scheme for grain will not create a very large bureaucracy which would be difficult to stop or even to slow down. The complexity of the bill is somewhat frightening, with its maze of facts, figures and numbers, although the basic concept of grain stabilization is not difficult to understand. It is the operational and administrative features of the bill that are difficult, and this is another reason why it should be considered in depth when it goes to the Standing Committee on Agriculture after second reading.

It would seem, from the notes on western grain stabilization working paper published in August, 1974, by the government, that the main criterion on was the cheapest plan for a given level of stability, a plan that was actuarially sound and based on the production the government wanted at that time. This, of course, in no way argues that it is the best plan for the government or for the producers; all it says is that it is actuarially sound and, possibly, one of the cheapest plans that could be devised for a given level of stability.

The key question in this debate must be: what stability is really provided to commercial, western grain producers, and at what cost; that is, what are the costs and benefits of such program, compared to the alternatives that could be considered? From the latest figures I have seen and to which other hon. member have alluded, we can expect that about one-half of the commercial grain sales in western Canada would be covered by the $25,000 gross sales limitation imposed by the legislation. There is no evidence that farmers with sales of $25,000 or less are in greater need of stabilization than larger farmers, and if the plan is actuarially sound, why the limit of $25,000? This limit is unrealistically low and should be increased.

The bill appears to take the narrow view that the government is giving out money almost through the goodness of its heart to provide some stabilization, and the level of the gift is the key to this whole aspect. There are, however, direct and indirect benefits that the government receives, as well as the farmers. This is something that the minister responsible for the Wheat Board seldom refers to, namely, that the government also receives some benefit, direct or indirect. For example, Mr. Speaker, if a stabilizing, net cash flow payment occurs there is likely to be a four or five times multiplier effect on the prairie economy. Assuming standard tax levels, it would seem that the federal government would get back anywhere from $1.25 to $1.75 for every dollar it pays out.

There is also the question of whether the federal financial authorities might be able to deduct such payments from federal transfer payments to the provinces. Of course, this is another question which will have to be dealt with at the committee stage. The point is, Mr. Speaker, that the program is unlikely to have any net cost to the government at all. As I said before, why impose a limit of $25,000 on sales? The limit is unrealistically low and should be raised. Clearly, the spending by larger farmers in western Canada could also have a multiplier effect. Is the middle-sized farmer which the legislation talks about the sort of farmer which the western grain stabilization program ought to be concerned about? Should the government be assisting the middle-sized farmer under this plan, because that is exactly what the legislation will do unless there is a more realistic ceiling?

● (1610)

As I have said, I have no real quarrel with the legislation. I am not on one side or the other of the argument. We shall not know for some time how the people affected by the legislation feel about it. Of course, one can ask many questions about it. What will be the situation with regard to farmers who decide to opt out, come back to the plan and then opt out again? Who is to administer the program? Who is to pay the administration costs? We must also consider the question of the three-year system for calculating individual pay-outs which seems to penalize producers who are expanding as against those who are stable or are reducing the size of their operations. The legislation seems to be aimed at the middle-sized prairie grain farmer

and ignores anyone who is smaller or larger than the optimum size contemplated by the bill.

I return to my first question: do we need this scheme in the first place? It could be argued that it was needed perhaps 20 years ago. It was not needed three or four years ago. Now we must ask, what are the government's priorities? Perhaps this particular grain stabilization bill is not high on the list of priorities. We have heard much talk of priorities. The minister spoke about priorities in Saskatchewan last week.

The hon. member for Vegreville (Mr. Mazankowski) said that labour disputes are among our most pressing problems and these disputes affect farmers. He was quite right. Transportation generally is in confusion: we must solve our transportation difficulties. At present the whole question of transportation is, so to speak, in a state of suspended animation. We should also consider present high levels of taxation. Farmers are concerned about this. The matter of high interest rates should be close to the top of any list of priorities. In addition, the difficulties of the beef industry should be considered. Instead of dealing with these questions, we are spending our time debating this piece of legislation.

Some people have argued—I will not argue one way or another—that we do not need the kind of grain stabilization plan proposed by the legislation; we need a plan which will take into account all the different elements, all the regional differences in that area served mainly by the Canadian Wheat Board. I am talking about differences in soil, climate, and so on. We ought to consider such matters. Some argue that this is a matter of high priority. I suggest that the grain stabilization bill presently before us does not deal with any of these aspects. It deals with the prairie economy as a whole, in total. That is where this legislation falls down.

Another danger if that the legislation may tend to shelter farmers from the marketplace. That is how it appears to many farmers in western Canada with whom I have spoken. Incidentally, almost without exception those to whom I spoke do not understand the legislation. They understand the basic concept of stabilization—it is not hard to understand—but do not understand the peculiarities of this legislation. Farmers have said to me they are afraid this will be another law which will come between the marketplace and the farmer. Whether that fear is justified may be a matter for debate. Nevertheless, farmers in some parts of western Canada have expressed that fear and it ought to be considered.

We should consider reassessing the grain stabilization program after it has been in existence for three or five years. This would help to allay fears which have been expressed by some in western Canada. Also, we should ask if farm-to-farm sales are to be excluded. Eastern grain producers are wondering about the benefits of this plan. The committee, in considering this bill, will consider whether eastern grain producers are interested in this plan. I wonder why the Minister of Agriculture (Mr. Whelan) has not been making noises in this regard. Also, will feed grain on farms qualify? That is another question we must ask.

It is possible that discussions connected with this bill will have a depressing effect on transportation in western

Canada. At least the bill will keep the farmers busy all summer; they will be trying to figure it out. Perhaps there will be explanations in committee. I hope that people from grain organizations and others will be made fully aware of the provisions of this bill. The bill will also ensure western members of parliament a job for some time to come—indeed, for as long as the legislation is in force. The law will be complicated and farmers will find it difficult to know how to opt in, opt out, or do whatever else may be done.

So far as I am aware, the minister in his speech opening the debate did not mention any producer pressure for moving this bill forward in a hurry. As I said before, grain stabilization is not a matter of high priority for the government. Let me digress for a moment. There are some matters which the House of Commons ought to consider. We should look at improved facilities on the Pacific seaboard and Churchill, the situation vis-à-vis strikes, the whole aspect of the protein payment on wheat, the government's grain storage program, if in fact they have one or are thinking of one, and possibly tax relief. It has already been said that it would be a good idea to have a registered retirement savings plan for farmers and ranchers. This is another area the government should be looking at from a tax point of view. We should be very much aware of these problems which are more serious than those we are dealing with at the present time.

● (1620)

I hope that some of the questions we have raised about this legislation will be sufficiently dealt with in the Standing Committee on Agriculture. I repeat, it is essential for the agriculture committee to travel in connection with this legislation. Before taking a hard and fast position on the legislation, I think it is necessary to get a reaction from those who will be affected, namely, the western grain producers.

If it can be pointed out that this is not the best kind of stabilization legislation, and it will act more as a deterrent than helping western farmers, I will have no qualms about voting against it, as was done a few years ago. I will conclude by saying I look forward to a thorough clause by clause discussion on the whole aspect of grain stabilization when the bill is before the committee.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I am very pleased to at last take part in this debate. This legislation was one of the first things I heard about when I became actively involved in politics during the election campaign. A lot of publicity was given to statements by the minister responsible for the Canadian Wheat Board to the effect that the western grain stabilization bill would be brought forward within seven days of the opening of the first session of this parliament. I looked forward to that.

All of us from western Canada, especially the prairie region, realize the importance of the agricultural industry, grain in particular, to our economy. We looked forward with anticipation to the introduction of this legislation. First, we wanted to see what the minister had in mind. Second, it was to be an opportunity for western Canada to have some input into the legislation to ensure that this time it would be of the highest possible calibre and benefit

in the interests of western grain producers. We waited a considerable time for this second reading debate, because the bill was not introduced until December 4 of last year and has now only been brought forward for second reading; therefore, I hope the minister has no intention of having this legislation become effective before seeding begins. Under the circumstances, that is very unlikely.

Mr. Goodale: It is still snowing.

Mr. Hnatyshyn: I realize it is still snowing in Assiniboia.

An hon. Member: It has been snowing there since July 8.

Mr. Hnatyshyn: I would not go so far as to say that. I want to deal with some of the provisions of Bill C-41, "an Act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof." That is possibly the shortest sentence in the bill. It reminds me of another rather infamous act on our statute books, the Income Tax Act. Anyone who reads these two pieces of legislation will understand that we humble western farmers are going to have a very difficult time interpreting this incredibly complex piece of legislation.

An hon. Member: That's humility!

Mr. Hnatyshyn: Humility comes naturally to any westerner. I am glad to see two or three Liberal members of the agriculture committee sitting in the back row. We should give particular attention to this bill because there is still considerable uncertainty in the minds of western grain producers with regard to the operation of the legislation. Since it was first suggested that this bill should be reintroduced in this session of parliament, it has been my contention that it should receive very close examination by the Standing Committee on Agriculture.

I support the suggestion that has been made by the hon. member for Wetaskiwin (Mr. Schellenberger), the hon. member for Lisgar (Mr. Murta) and the hon. member for Vegreville (Mr. Mazankowski), that the agriculture committee should take this bill to the grain producers in western Canada. The western grain producers sometimes feel a certain remoteness from people in Ottawa. I feel it would have a therapeutic effect if the members of the agriculture committee travelled to those people as opposed to having only those who can afford to come to Ottawa presenting their points of view. This type of legislation requires input from western grain producers. It must be explained to the man on the farm. It is imperative that the members of the agriculture committee travel out west. In addition to seeing some of God's country, they can explain this bill and receive opinions as to whether the western producers feel it can operate in their best interests.

Reference was made by the hon. member for Wetaskiwin to some of the background of this legislation. I was not here the first time this bill was introduced. Initially, there was an attempt to bring forward a stabilization bill with respect to western grain under the so-called prairie grain stabilization act. The bill was withdrawn because, as has been pointed out many times, there were some fairly substantial objections to its terms. It has also been pointed out that this opposition has been somewhat allayed by improvements to the bill.

● (1630)

Notwithstanding this, questions have been raised. I am in receipt of communications from constituents and producer groups pointing out that there are still substantial questions to be taken into account. For this reason, the agriculture committee is likely to be called upon to spend a fairly long time considering the legislation before us today. In my opinion, this is an inopportune time to be launching upon this work, to be carrying out an inquiry and inviting witnesses to come forward. We know that seeding time is just beginning in western Canada; the farmers whom this measure concerns will be on the land; they will not have time to make representations with respect to these proposals. The legislation should have been introduced last October at the beginning of the session. It should have been debated on second reading then, and put forward for consideration by the agriculture committee so that there might have been an opportunity during the winter months to canvass the ideas of those who are directly affected.

Mr. Lang: Would the hon. member permit a question? I should like to ask whether he is aware that the reason for the delay in the introduction of the bill was the extensive consultations which were going on with the various farm organizations and our desire to incorporate positive suggestions into the bill. I hope the hon. member agrees that this was a desirable thing to do.

Mr. Hnatyshyn: I appreciate the point the minister has made in the guise of a question, and I accept his sincerity when he says he has been trying to obtain suggestions from producer groups. But that still does not explain the delay. There was no smile on the minister's face when he made the promise that the legislation would be introduced within the first seven days of the new session. Those were the minister's words. It was the minister who said the legislation would be introduced almost as soon as we got back to this chamber. Instead, we have waited until seeding time on the prairies, and parliament is apparently being asked to rush the bill through. I think this is bad timing on the minister's part.

The hon. member for Wetaskiwin commented on the fact that it is the minister in charge of the Wheat Board who is in charge of this legislation. The primary aim of the stabilization bill is to even out the income of grain producers. Some may contend that the aim is to stabilize the industry; but the industry is composed of people and it is the farmers who will receive financial benefit. It is, therefore, questionable whether the minister responsible for the Wheat Board should be the minister in charge of this bill. The Wheat Board legislation does not deal with the incomes of farmers. The role of the Wheat Board is, essentially, a marketing role and its powers are defined accordingly.

I could go over the provisions covering the powers of the Wheat Board; those sections and subsections refer to marketing concepts, marketing powers. They are quite distinct from the concepts dealt with in the legislation before us. It

is the Minister of Agriculture who traditionally and by statute should ensure that producers receive a reasonable income. What, in fact, the Wheat Board is performing under the stabilization act is the carrying out of the mechanics of the act. The licensed elevators and feed mills serve as the collectors of a levy and the permit books of the Wheat Board serve as a verification unit for the levy. In other words, the Wheat Board is a catalyst to help in the working of the stabilization act; but in principle it is the Minister of Agriculture who should have introduced the bill to the House.

Then, again, we often hear the minister responsible for the Wheat Board referred to as the minister for everything in western Canada. If, as we understand, he is looking after transportation, it is not surprising that he should also be looking after legislation dealing with incomes of farmers. If the government puts forward other legislation which may peripherally affect the western farmer, the minister in charge of the Wheat Board will, no doubt, be given that responsibility as well. Nevertheless, it seems logical to me that the minister responsible for this legislation should be the Minister of Agriculture, and the time has come for the minister responsible for the Wheat Board, who is also the honorary minister of transport—

Mr. Benjamin: Anything but that.

Mr. Hnatyshyn: I am sorry if that remark caused some alarm. I am simply saying that the logical place for this legislation is with the Department of the Minister of Agriculture, and I hope the Prime Minister (Mr. Trudeau), when in due course he carries out a cabinet shuffle, will dispose of the matter accordingly.

I turn now to another aspect of the bill, the question of compulsory membership. The original bill of 1970-71 contained a compulsory aspect. We are told that under the present bill there is no compulsion and that farmers may opt out of the program if they wish. Clause 5 contains provision for opting out, but I suggest the wording is disguised so as to give only an appearance of avoiding compulsion; that in fact it is compulsory to an extent. Also, I would add, it discriminates against one particular genre of producer, making it compulsory for him to join. Under clause 5(1) a person who is an eligible, active producer—a producer who is actually working on the land as opposed to a producer recorded in a permit book—has three years to decide to cease to become a participant. This decision must be made at the time the act comes into force. Thus, between 1975 and 1978 a producer may elect to withdraw.

On December 4, 1974, the minister responsible for the Wheat Board issued a press release dealing with the stabilization act. On page 7 appeared the title "Participation Voluntary" and the sentence "No farmer will be forced to participate in the plan". The minister is incorrect when he says participation is voluntary. Webster's Dictionary defines "voluntary" as "brought about by one's own free will or choice". A producer does not have the luxury of free will or choice if a time limit of three years is imposed upon him. Voluntary withdrawal should mean that a producer can decide to abandon the plan at any time. Here we find a limitation imposed upon voluntary withdrawal; it is restricted by a time period. It is difficult to understand why the minister is imposing this time-frame. It cannot be because the plan would not be actuarially sound if a large proportion of producers dropped out. The fund only affects those producers who have contributed to it; the producers who put the money into the fund will receive money when the circumstances call for such action.

● (1640)

At page 9 of the same press release, the minister responsible for the Canadian Wheat Board said that the federal treasury "will guarantee the solvency of the western grain stabilization fund". Also, the producers are paying only for this special kind of insurance and not for the administration costs that accrue to it. At page 8 of the press release the following statement appears:

> The costs of administering the plan will be borne entirely by the federal government. No administrative costs will be deducted from the fund.

Clause 5(2) of the bill provides that once a producer has withdrawn, he may elect to join the plan again. Clause 5(4) adds that the producer is allowed to come in only once, and no more. But under clause 5(3) this producer will be classified as a conditional participant for three years. In effect, a penalty is associated with this category; if a payment is to be made within those three years, the conditional participant will receive only 90 per cent of the benefits. This is a form of discrimination. One part of the bill provides that a producer may voluntarily withdraw; another part provides that if the producer returns to the plan, he must face a penalty. The bill is really providing that voluntary producers do not exist but that coercion of the producer does.

It must be emphasized that only existing, actual producers have this option for a one-time withdrawal from the plan. Clause 6 of the bill provides that new producers will automatically be in the plan once the legislation is implemented; but there is no option for the withdrawal of new producers. To allow an existing producer a rather haphazard option to withdraw, and to prevent any new producer from having equal opportunity to do the same, is discriminatory. One is left with the conclusion that the federal government does not believe that new producers can fend for themselves but, rather, must be quickly swept under the protective fold of the federal plan. Hence, I suggest that the voluntary aspect of this legislation will have to receive the closest attention of the committee and the representations of people in western Canada.

I should like to deal with one or two other aspects of the bill. I realize the hon. member for Yorkton-Melville (Mr. Nystrom) wants to say a few words this afternoon, and I do not want to curtail him unduly; but since I have this captive audience which seems to be most attentive, I shall continue with my informative remarks.

An hon. Member: We feel obligated.

Mr. Hnatyshyn: My hon. friend always does me the honour of being in the chamber when I speak. I do appreciate it. He shows great discrimination by listening to me. With regard to protection for the individual producer, one of the major remaining objections to the bill, which is a carryover from the proposed 1971 legislation, is that the plan will not take note of the major differences in

various regions. The minister was reported in the Toronto *Globe and Mail* of September 9, 1974, as saying that the federal government was studying proposed changes to its grain stabilization plan that would fix incomes on a more regional basis. That statement was attributed to the Minister of Justice (Mr. Lang) who is responsible for the Canadian Wheat Board.

Under the legislation as it now stands, payment to producers will take place only if the totality of the prairie provinces suffers from severe crop damage or depressed markets. The lumping of Manitoba, Saskatchewan, Alberta and the designated areas of British Columbia prevents an individual producer or a localized region within a province from obtaining compensation if crop damage occurs.

The minister has responded to this criticism by saying that the plan is not a form of insurance but is a stabilization program. It was reported in the *Globe and Mail* of December 7, 1974, that the minister responsible for the Canadian Wheat Board said at a press conference that he would propose continued study to see whether more regionalization could be put into the program. He added that too much regionalization, however, would make the plan little more than normal crop insurance. The minister said the plan was not a crop insurance scheme but was meant very much to complement existing insurance schemes.

Because this aspect of the bill is of great importance, the minister should confirm in the House if his proposal for a study into regionalization of the legislation has been initiated and, if so, when this study will be tabled, or possibly presented to the committee. Department officials have stated that serious and frequent meetings took place among producer groups, bureaucrats and government officials before the final drafting of the bill was completed. Also, localization of the stabilization program, was I understand, a contentious issue in 1970, judging from my observations out west and in the House. It seems that the minister is responding somewhat late at this point in time. After the bill was given first reading, the proposal was then announced by the Minister. I should like the minister to tell the House what has transpired and when we will receive information about the regionalization aspect.

In conclusion, I want to deal with the administrative costs of the plan. I want to give the hon. member for Yorkton-Melville the fullest possible time to tell the House what he knows about agriculture, so I will allow him five or ten minutes.

An hon. Member: One minute will do.

Mr. Hnatyshyn: There is an old saying, "Beware of Greeks bearing gifts", and I want to put that in the context of the administrative costs of this plan. One very appealing part of the legislation is that which provides that the producers will not pay any of the administrative costs involved in the program but that, rather, the costs will be borne by the federal government. I presume most producers will receive this particular proposal gladly and will accept the proposition that they will not be charged for any specific administrative costs under this legislation. But the question then arises, where will all this money come from? Once the legislation is passed, opposition members will not know the actual costs until the annual report of the stabilization fund is tabled and the estimates come before the committee.

I think it is a belief generally held even by members on the government side that since this government has been in office, government spending has reached almost uncontrollable proportions and shows no sign of easing, despite promises to that effect. Since the stabilization program is a new concept and therefore lacks experience, I am concerned about the cost of administration. I fear—I hope this will not be the case—that costs will reach epidemic proportions.

Although the bill provides that the producers will not be asked to pay the costs, I hope the producers themselves will be very observant and keep a keen eye on the cost to the general treasury of administering this plan. I think a new body of civil servants and bureaucrats will be required to operate this legislation, so there is a possibility that Parkinson's law will be put into place and there will be an increase in the size of the agency, branch or department seized with the responsibility of administering this legislation.

● (1650)

We only have to look back into the very recent past to see what happened in respect of the Canadian Egg Marketing Agency. During the committee proceedings, the Minister of Agriculture (Mr. Whelan) refused to accept responsibility for CEMA's difficulties and tried to lay the blame on the producers. In view of the fact that this particular administrative facet is being taken from the producers and adopted by the government, I hope the minister will publicly state his responsibility for this stabilization fund in order that the producers will know that they will not be blamed in the event that something goes wrong with the administration of the program.

I have spoken a little longer than I anticipated, Madam Speaker, and I appreciate your attention and the attention of hon. members in this chamber.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, Bill C-41 which is before us today has really been before this House for four or five years. It has quite a fascinating history. I see the hon. member for Assiniboia (Mr. Goodale) sitting at the back; I am sure he followed this matter many years ago when he was a university student in Saskatchewan. In the fall of 1970, or in the spring of 1971, this bill was first introduced to the House. There was quite a debate at that time and the minister tried to push the bill through. It was a bill that virtually all farm organizations and farmers in the west disagreed with violently, and they made their points of view known very clearly to the minister in charge of the Wheat Board.

As a matter of fact, we fought a by-election campaign on this bill in the riding of Assiniboia. I remember the results of that by-election very well; the government party dropped from first to third place. I thought maybe the government had learned something as a result of that by-election. Also, the election results in Saskatchewan in 1971 probably stemmed in part from the fact this bill had been before the House. One would have thought that with

all these setbacks to the Liberal Party during these years, it would have learned a lesson.

The bill before us today is an improvement over the 1971 bill, but it does have many deficiencies. Again, I believe the minister is trying to stay away from some of the input that farmers wanted. I would refer to the statement by the government House leader, in December, to our leader—and I believe to the House—that Bill C-41 was a priority matter and should be dealt with as soon as possible. He said we should set aside other legislation in order to deal with it.

This bill came into the House for first reading on December 4 and we were supposed to deal with it right away. Suddenly, other legislation got in the way and the government House leader had other priorities. One of those priorities was Bill C-44, which apparently was more important than this bill to establish a grain stabilization fund. If the minister in charge of the Wheat Board had really thought this was a priority item, we would have had second reading before Christmas, and during the months of January, February, March and April we could have heard from the farmers across the prairies who were able to attend hearings, rather than waiting until now when they are going into spring seeding. These are the things I believe could have been done had the government been serious about putting this legislation before the House.

It is very amusing to go back to some of the statements made by the minister in charge of the Wheat Board in 1971. I am sure a number of Saskatchewan members will remember them very clearly. The minister at that time said the bill could not be based on net farm income but had to be based on gross farm income. Now we have a bill before the House that is based partially on net farm income.

The minister also said in 1971 that there was no way to take into consideration the cost of production when calculating payments from a farm income stabilization fund. We have a clause in the bill that does take this into consideration to a major degree. These are things that could have been done back in 1971 and we might have had a good stabilization bill at that time. Instead, we had a by-election, with the government being forced to withdraw the legislation from the House.

This party has made it clear over the years that farm income must be stabilized. Farmers, more than any other persons in our society, are subject to fluctuation in the price of their products. The farmer is affected not just by weather conditions and by the crops of other countries but also by the free, open market in this country. This minister and this government have been responsible for promoting open marketing in Canada so that farmers now have the option of selling certain grains on the open market, an option they did not have a few years ago. When the farmer is faced with all kinds of difficulties such as the ones I have mentioned, he needs stabilized farm income. Our party has long advocated a stabilization plan based on the cost of production. Our party has also advocated a strong system of marketing boards in this country through which all farm commodities could be marketed.

We need a strong system of marketing boards in this country in order that we can have planned production and planned marketing, and in order that the farmers can have some say and some clout in respect of what they are to get for their products when they sell them in the fall of the year or at other times. These are some of the things that should be done. Our country should have, as an objective in agriculture, the mechanization of food production. We can only have that if we guarantee farm prices, and only if we have a grain stabilization plan that gives farmers an absolute guarantee. If we had marketing boards, with the farmers having some clout, then the farmers could make the decisions that are so important to planning.

The bill before the House today goes part way in that direction but by no means far enough. There are a number of clauses in the bill that we feel discriminate against the small producer, against regions and against those farmers who have the misfortune of having low yields or low prices over a series of years. For this reason, we intend to move certain amendments to the bill. At this stage, the most important thing we should do is to make sure that all members of this House realize the importance of holding public hearings so the farmers of this country who are to be affected by this bill will have the chance to present their case. A request has been made of the minister by a number of organizations, including the National Farmers Union, the Flax Growers Association of western Canada, as well as by a number of individual farmers, to hold such hearings before passing this bill. We should go across the country and have the farmers appear before us to tell us what should be in this legislation. That would be democracy at work.

There are many things in this bill that I believe must be changed. There must be input from the farmers, rather than from bureaucrats and technocrats sitting in their ivory towers in Ottawa. There are a number of things that should be changed, and I want to get to just one or two of them before five o'clock. At that time I will call it five o'clock and continue later.

One thing that discriminates against the producer is that payments from the fund are to be made in a general sense to all people who come under the Wheat Board area, and are not to be made in a regional sense. I feel that provision contains potential discrimination. For example, there may be a crop failure in an area such as northeastern Saskatchewan where we often have poor crops or crops with low protein content. Often our export commitment is in respect of grain of high protein quality. There is no provision in this bill for pay-outs to farmers who suffer because of poor quality grain. This involves one amendment to which I think we can all agree and I hope such an amendment will be acceptable at the committee stage. Participation in this fund should be universal. All producers should participate if this measure is to be effective and the fund worth while.

Perhaps at this point I might call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Rocky Mountain (Mr. Clark)—Indian Affairs—Alleged failure of minister to deal with grievances of Treaty Seven chiefs—Government position.

The House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills. There being no item under the heading of private bills on the order paper, the House will proceed to notices of motions (papers).

● (1700)

Mr. Herbert: Madam Speaker, I rise on a point of order. The point of order I raise again today concerns the manner in which we deal with private members' business. I want to use as an example in explanation of the points I have been raising the conduct of private members' business on Tuesday of this week.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, how can the hon. member raise a point of order when nothing at all has been raised or is before the House? One cannot make a point of order out of the blue. My contention is that the hon. member has no right to raise a point of order until something has been done which might be out of order.

An hon. Member: Hear him out.

Mr. Knowles (Winnipeg North Centre): The understanding is that the first item on the list for today is the one being called. I do not think that this is the day for the hon. member to raise that kind of point of order.

Mr. Herbert: If I may reply to that, Madam Speaker, I am referring to what happened in this House on Tuesday of this week.

Mr. Knowles (Winnipeg North Centre): It is too late.

Mr. Herbert: That is why I raise the point of order at this time.

Mr. Baker (Grenville-Carleton): That is not a proper point of order. It is the wrong day.

Mr. Knowles (Winnipeg North Centre): Today is Thursday.

The Acting Speaker (Mrs. Morin): I would like to remind the hon. member for Vaudreuil (Mr. Herbert) that he should raise this point of order at the appropriate time, which is Monday night.

Mr. Herbert: I rise on a question of privilege, then, because there were happenings on Tuesday of this week

which affected my privilege as a member of this House. I was going to raise them on a point of order, but since it involves my own rights in this House I will use this opportunity to raise a question of privilege. On Tuesday of this week—

The Acting Speaker (Mrs. Morin): Order, please. I think the question of privilege should be raised when the Speaker is in the chair after the question period.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

REQUEST FOR CORRESPONDENCE BETWEEN GOVERNMENT AND UNITED AIRCRAFT AND CONTRACTS RELATING TO FEDERAL GRANTS

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That an order of the House do issue for copies of all correspondence between United Aircraft and the government over the past year and copies of contracts relating to federal grants accorded to United Aircraft over the past five years.

He said: Madam Speaker, the issue I speak of this afternoon concerns one of the most vicious and tragic strikes in recent Canadian history. I refer to the United Aircraft plant at Longueuil, Quebec. The strike at that plant is still in progress. The issues involved are many. There has been injustice inflicted upon the workers at that plant in the past.

Mr. Blais: On a point of order, Madam Speaker, I suggest that we are dealing with a notice of motion for the production of papers and I trust we will not be dealing with the substance of the Longueuil strike at United Aircraft. Surely, if we are to deal with a motion for the production of papers, that is what we should be dealing with.

Mr. Benjamin: Wait for it.

Mr. Broadbent: I would have thought that even a member of the Liberal Party would have been bright enough to conclude that an argument is needed to justify the motion. What I am about to do is try to provide, even for the hon. member for Nipissing (Mr. Blais), some grounds for the motion we are debating which led to my moving it in the first place. I hope he will have read that I am calling for copies of contracts and correspondence. The contracts and correspondence refer quite directly to the labour situation I was about to discuss when I was interrupted.

If I may continue, Madam Speaker, the strike which is in progress involves many issues. It involves federal funding to private corporations at a level of hundreds of millions of dollars. It involves the right of Canadian workers to a just settlement and to have appropriate and fair working relationships with their employers. It involves the question of whether the federal government should have dealings with any corporation without that corpora-

tion meeting certain minimal standards of good corporate citizenship.

In short, the United Aircraft situation is a highly particular but highly symbolic case illustrating many of the problems we face in Canadian society, and more particularly, labour problems and the issue of federal incentive grants to corporations. The United Aircraft Corporation, as I have documented in another speech in the House in a more systematic way than I will this afternoon, has received millions of dollars in assistance from the government in recent years in the form of outright grants and in the form of repayable loans.

The reasons for those grants and the purposes for which they were to be spent were entirely laudable. They were to be spent to do research and development, and ultimately to produce first-rate aircraft engines; and this is what in fact occurred: there was developed by Canadian technicians and skilled workers at Longueuil a very successful aircraft engine which gained widespread acceptance in world markets. It was a first-rate project from that point of view.

The workers in that plant began negotiations some time before, but just some 16 months ago, in January of 1974, the strike resulted and it is still in progress. What were the demands at that time, and were they reasonable? It seems to me they wanted wage levels comparable to other workers in the same industry. They wanted the Rand formula to be applied in industry, something which has been accepted by good corporate citizens throughout—

Mr. Blais: On a point of order, Madam Speaker, I simply want to reiterate the original point I made. Evidently the hon. gentleman is attempting to make a speech about the Longueuil strike at United Aircraft. He is not at all interested in the production of documents; he is attempting to make a political speech. He has the right to make political speeches, but now is not the time to do so.

● (1710)

He is sitting beside a gentleman who is most knowledgeable of the rules of the House, so surely he could seek counsel about whether it is proper for him to make comments on the desirability of the strike without even once mentioning what he is seeking to have produced, or the purpose of the production.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I would say there are times when that point of order is justified in this five o'clock hour, but surely it is recognized that if my hon. friend is seeking to persuade this House to call for the production of certain papers, and it happens that those papers are copies of contracts and correspondence, he has the right to make the case as to why they should be tabled. It will then be a matter of judgment for the Chair as to whether he is straying too far from the facts needed to justify his case. It seems to me, however, that he is trying to make a case for his proposition, which is that certain papers should be tabled. As long as he is doing that, I believe he is in order.

Mr. Blais: Madam Speaker, I agree with the hon. member for Winnipeg North Centre (Mr. Knowles). He has indicated what the hon. member for Oshawa-Whitby (Mr. Broadbent) did not indicate when he launched into a political speech.

The Acting Speaker (Mrs. Morin): Order, please. I will read again the motion as it was put:

That an order of the House do issue for copies of all correspondence between United Aircraft and the government—

Perhaps the hon. member for Oshawa-Whitby (Mr. Broadbent) would address his remarks to that subject.

Mr. Broadbent: Madam Speaker, that is precisely what I am addressing myself to. For a normal set of reasonable, intelligent and conscientious human beings, an explanation could be given in three minutes; but for members of the Liberal Party a minimum of 20 minutes is needed. I am trying to provide an argument that even an average member of the Liberal Party could understand—and that takes a lot of effort.

We have a motion for the production of papers that says the government should provide the contracts so that this House can understand what kind of obligations were entered into between the government and the company. Did they deal with the labour situation, or did they not? Did they entail certain obligations for production in Canada so that it could not be transferred back to the United States and so adversely affect our workers? Did the contracts make provision for dealing with what is known as scab labour in a strike situation? I should have thought these things were almost self-evident to a normal, intelligent human being but I understand that for a Liberal it takes more time.

Some hon. Members: Oh, oh!

Mr. Broadbent: Cut the interruptions; I have had two interruptions in five minutes. If I could now address myself—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Nipissing (Mr. Blais) on a question of privilege.

Mr. Blais: I want to say that this poor, simpleminded Liberal knows the distinction between jurisdiction which is—

The Acting Speaker (Mrs. Morin): Order, please. Would the hon. member please resume his seat? This is not a question of privilege. The hon. member for Oshawa-Whitby.

Mr. Broadbent: Madam Speaker, I shall try to ignore the noise over there and deal with the issue. I was saying that the original demands of the workers at the time of the strike beginning early in 1974 were those widely accepted by the labour movement and employers elsewhere in Canada for many years, but apparently were not accepted by this company. I sought the contracts they signed with the government which provided them with millions of dollars of the taxpayers' money. I wanted to see those contracts to find out if the workers were given any protection at all. We have had partial revelation of the contracts but we have not seen all of them. I wanted to see the correspondence between the federal government and the

company concerning these contracts, but that was denied me.

During the course of the strike, production was transferred from Canada to the parent company in the United States, thus depriving our workers of jobs which were paid for by the taxpayers of Canada. It seems to me that members of parliament have a legitimate obligation in a case like this. Even Liberals might be interested in finding out if public funds were being used to subsidize private corporations, and if the contracts concerned made it mandatory that the companies receiving those funds did all the work in Canada or if they were to be permitted to transfer employment to the United States or some other country.

Those parts of contracts that were provided after I asked for them in the House made some things clear. They made it clear that in providing millions of dollars to United Aircraft Corporation the government did not insist on written guarantees that work on these engines would be done in Canada. There was no provision to prevent United Aircraft Corporation shifting production from the province of Quebec to New England, which is what took place during the past year. The strike is still in progress and men have been out of work for 16 months. In my view, this is because the company did not fulfil its moral obligation to its employees, even if it did meet the letter of the law in terms of contracts signed by the federal government and United Aircraft Corporation.

During the course of this strike, the government signed additional contracts worth $14 million. I should like to know, from whoever will speak for the government, if there are any contractual arrangements that made this mandatory. Not only has the government permitted this company to abuse its workers through previous contracts, but they have entered into new contracts fully aware of the reprehensible attitude of this corporation toward its employees.

I asked the Minister of Industry, Trade and Commerce (Mr. Gillespie) if the government should not require acceptance of the Rand formula as a minimum condition of good corporate citizenship. It could do that. Of course, enforcement of the Labour Code for most privately-owned industry lies within the jurisdiction of the provinces, but there is nothing to prohibit this government from setting minimum standards for its contracts with private corporations. I was anxious to see if this was discussed in correspondence between the company and the government. I suspect it was not. I suggest that kind of forceful declaration of principle outlining certain minimal standards should have been forthcoming from the federal government, and I want to see the correspondence to know exactly what is in it.

If the government is going to deny our right to see the correspondence, as I am sure it will, I want a spokesman for the government to tell us why. I want to know why in the future there should not be standards of good corporate citizenship, principles, and behaviour. I want to know why the government does not feel it appropriate that this company should be taken over as a Crown corporation and integrated with the other parts of the aircraft industry owned by the federal government, to establish a competitive, progressive aircraft industry in Canada under public ownership.

● (1720)

I should like the government spokesman to suggest why that should not be done in this particular case, from the point of view of rationalizing the industry, especially as it is known that the very success of United Aircraft in Canada is dependent on funds provided by the taxpayers of Canada via the Department of Industry, Trade and Commerce.

[*Translation*]

Mr. Fernand E. Leblanc (Laurier): Madam Speaker, motion No. 17 dated February 12, 1975 and moved by the hon. member for Oshawa-Whitby (Mr. Broadbent) can be discussed today pursuant to Standing Order 48. I think it is important to talk about that rule which provides for the discussion of such problems.

The rule deals with the production of papers and allows a member who was not satisfied by the reasons given for refusing to produce the paper or papers requested to discuss the matter for one hour and forty minutes. The debate can be followed by a vote and according to the results of the division, the government either is forced to produce the papers requested by the hon. member and to do so as soon as possible, or is confirmed in the position it took about the problem raised by my hon. friend. Incidentally, I wish him good luck in his campaign for the leadership of his party.

To recall the chronology of events related to motion No. 17 proposed by the hon. member, one may refer to page 346 of *Hansard* for October 11, 1974, when he asked his first question about the United Aircraft Company to the Minister of Industry, Trade and Commerce (Mr. Gillespie). The question read as follows:

> Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce concerning the United Aircraft Corporation in the Montreal area. Would the minister inform the House as to the discussions that have been reported to have taken place between his officials and that corporation concerning obtaining a guarantee from that company that it will place in Canada the amount of work to which it is committed by virtue of getting some $70 million worth of assistance from the federal government? I refer to replacing in Canada work that has been transferred to the United States in recent months.

The hon. member said the same thing this evening. The reply was as follows, and I quote:

> Mr. Speaker, I and my officials have met with senior officials of UACL and the United States parent corporation to determine and to clarify the longterm plans of the firm respecting both the repatriation of work that has been transferred from the Longueuil plant to East Hartford and the expansion plans of the Canadian company in Canada. I hope to have more to say on this point by next week.

Later on, early in 1975, the hon. member gave notice of motion for production of papers concerning the whole problem posed by United Aircraft. In the meantime, I was advised that United Aircraft had mentioned to the government, through the minister in charge, that during a strike it would give temporary sub-contracts for the construction of engines in the United States, essentially to continue deliveries and protect its position as major supplier on the international scene of gas turbines for small aircraft. The company assured the government of the temporary nature

of that step and of the repatriation of labour to Canada in due course.

During the strike, an increase in the demand for engines forced the company to give out sub-contracts. It endeavoured to give them out as soon as possible to Canadian firms. Still, it had to resort to the traditional American sub-contractors because of their capacity to meet an increase in demand. The parent company took over the work the traditional sub-contractors do not normally perform. Canadian sub-contractors were entrusted with a considerable amount of additional work and the company is now endeavouring to rely further on their co-operation.

Let us refer now to the tabling of parliamentary papers and more especially the reasons which have prompted the government not to provide the papers requested by the member for Oshawa-Whitby (Mr. Broadbent). They deal with privileged data which the department has obtained from trade information concerning manufacturing issues as well as contracts and sub-contracts. The information was freely given, but under the seal of secrecy. In this connection, it is pointed out that the industrial expansion role assumed by the Department of Industry, Trade and Commerce mostly depends on the discretion shown by the minister in the use and distribution of highly confidential trade data received from different Canadian corporations.

The publication of such data by the department would be prejudicial to the raison d'être and aims of the department to such an extent that the Canadian economy could eventually suffer. In addition, the foreign competitors of United Aircraft would gain access to information which they could use at the expense of that corporation, thus impending its efforts on international markets. Such a situation could certainly cause a loss of jobs and, in view of the present economic conditions, I believe that this is not the time to create a loss of employment for Canadians.

● (1730)

An hon. Member: Agreed.

Mr. Leblanc (Laurier): As concerns the production of papers, on March 15, 1973, the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), who was then President of the Privy Council and House leader for the government, tabled a document which has been added to *Hansard*, at page 2288; this document, Appendix "B", entitled "Notices of Motions for the production of papers", established a general principle for the production of papers, which principle reads as follows:

> To enable Members of Parliament to secure factual information about the operations of government to carry out their parliamentary duties and to make public as much factual information as possible consistant with effective administration, the protection of the security of the state, rights to privacy and other such matters, government papers, documents and consultant reports should be produced on Notice of Motion for the Production of Papers unless falling within the categories outlined below in which case an exemption is to be claimed from production.

Then follow 16 exemptions, Madam Speaker. I believe that the request of the hon. member for Oshawa-Whitby comes within the definition of at least four exemptions which I shall now quote. Exemption 5 reads as follows:

> Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or a group of persons.

This means that when this exemption applies, the papers cannot be produced.

The 10th exemption reads as follows:

> Papers relating to negotiations leading up to a contract until the contract has been executed or the negotiations have been concluded.

Here is exemption 12:

> Cabinet documents and those documents which include a Privy Council confidence.

This is exemption 16:

> Papers requested, submitted or received in confidence by the government from sources outside the government.

And I believe that the request of the hon. member for Oshawa-Whitby comes within the definitions of the exemptions that I have just read, that is exemptions 5, 10, 12 and 16.

It must be recognized that the issuance on March 15, 1973, of guidelines on the publication of parliamentary papers, was a significant step forward. No criteria existed before that, and although ministers of the Crown did not often do so, they could refuse to produce documents requested by opposition members, without giving any reasons. This in my view was a positive effort, and it was endorsed by the current government leader.

This problem is of the utmost importance, and the government did not hesitate to face it. The whole issue was also the subject of an in-depth study by the joint committee on statutory instruments. That committee's co-chairman is a highly qualified member of the opposition, the hon. member for Halifax-East Hants (Mr. McCleave). It is also my privilege and pleasure to be a member of the committee. We try to study the production of documents without any partisanship, if this is possible to the politician working on this kind of issue with widespread political implications. I believe that all hon. members sitting on the committee deserve commendation for their totally unprejudiced effort.

The government's main reason in establishing these exemptions is to give the widest possible information, not only to the public, but also to members of this House, for the proper understanding of Parliament's operation.

It seems that not all hon. members agree, and the contrary, of course, would have surprised all the people. The government established a procedure to get to this objective. Furthermore, this is the reason of the reference to this committee of the study of the production of documents, which was established precisely to meet the demands as the one being made now with motion No. 17 standing in the name of the hon. member for Oshawa-Whitby.

Madam Speaker, you know it is very difficult to make a judgment on the relevance of the questions asked and that it is also very difficult for a parliamentarian to appraise the balance between the expressed will of the government to supply as much information as possible and the obligation to provide sound administration and to ensure at the same time the security of the country. In my view, it is a good thing to insist on the fact that in the past, the

government had no firm established policy for its part as a supplier of information. That part was played every day "by ear" depending on the type of question, without any guideline whatever, and the whim of officials and ministers alike. Undoubtedly such a situation, that was bound not to last, had to be remedied, in a condition where modern ways of communication are more and more available and in ever growing demand.

It is obvious, Madam Speaker, that guidelines are criticized by the opposition, whose role it is to do so, since they must force the government to account for the exercise of its mandate, not in an evasive but a concrete manner, by providing the greatest amount of information possible so as to justify its political action. In fact, the idea is to try and find a middle-of-the-road policy between unacceptable total secrecy and acceptable partial disclosure. The discussion concerning the production of documents is between these two extremes.

On the one part, certain civil servants and politicians are jealous of their papers and fear the principle of complete disclosure and, on the other hand, some refuse total and absolute secrecy. Between those two extremes surely there is room for a happy medium that could most often satisfy everyone—*In medio stat virtus.* We all know that there are now rules concerning the production of papers, and I mentioned it earlier—Standing Order 48.

I want to come back to the fact that the government having issued guidelines on the availability of all government papers, unless they fall within clearly defined categories for exemption, as is the case now, represents a very commendable effort, as I mentioned in my opening remarks.

I am convinced there is room for improvement, and that is the primary reason for the examination undertaken by our committee whose name I mentioned earlier. I think surely the open and candid attitude of the government in that respect should draw the opposition's approval.

Before undertaking to reform those guidelines it must be borne in mind that the government spent a lot of time preparing the list of exemptions released on March 15, 1973, There is no doubt that all aspects were carefully weighed before that list was produced. But since it is the nature of man to make mistakes the government does not pretend to have reached optimum conditions. On the contrary, being aware of possible mistakes and weaknesses it set up a committee to examine carefully all aspects of the problem precisely to reach, if possible, perfection in this area.

The fault that seems to exist, and in that I think I am consistent with certain members of the opposition, is the fact that the government now considers its own actions without appeal by the opposition. Perhaps an organization such as the one recommended by a member of the opposition should be created to enable an independent body to determine the validity of the government's position, or of the opposition's request. In democracy, the rules of the game call for—

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but his time is now expired.

United Aircraft

[*English*]

Mr. Gus MacFarlane (Hamilton Mountain): Madam Speaker, I am sure the hon. member for Oshawa-Whitby (Mr. Broadbent) is wondering why someone from Hamilton Mountain is speaking on this matter. I think that can be easily clarified by giving my background in the good city of Verdun.

Verdun was a very residential area. We always became concerned with the surrounding corporations, for the good of the corporations and for the worry of the workers who lived in Verdun. The people of Verdun, looking at the suburbs around it, such as Montreal, realized that it was necessary to be concerned because we were mainly the workers in that area. I think we share something in common in that at least.

The best way for me to approach the problem in the hope that I will be relevant in speaking to the question, and since we have mentioned the United Aircraft of Canada Limited and certain factors of the corporation's operation, is to establish in a few short moments something of the character of United Aircraft of Canada Limited, then immediately move on to the minister's actions in relation to documents which he has tabled, and then go directly to the correspondence requested and my feeling concerning the motion.

In establishing the character we should recognize that United Aircraft of Canada Limited has never officially approached the department requesting permission in writing to transfer work from Canada to the United States. When the department became aware that UACL was transferring some work from Canada, it asked the company for a statement outlining the details. Through these consultations which took place during May and June, the department obtained a picture of the actual transfers that were taking place. UACL's justification was that it had to protect its markets from its competitors, and that its customers had indicated that they would switch their business from UACL to competing manufacturers of aircraft if UACL were unable to supply from some source.

When the department became aware of the magnitude of the transfers it called in the Canadian president and senior officials from the international parent, and informed them that the work must be returned to Canada as quickly as possible. Furthermore, the minister informed top company officials that he wished to be made aware of the company's plans for its future in Canada, including new investment. As a result of these pressures the company immediately took steps to repatriate the work to Canada, and since the consultations employment has increased to near record levels and production volume in Canada now exceeds previous record levels.

● (1740)

Because of the government's participation in the development of the PT 6 and the JT 15 families of engines, UACL has developed from a minor supplier of replacement parts employing about 400 people to an internationally renowned developer and manufacturer of the most advanced types of small and medium-sized turbine engines having a wide variety of applications. The government's share of the financing—$73 million—is much less than the investment by UACL and UAL at $250 million.

Mr. Gilbert: You are reading your speech.

Mr. MacFarlane: That is right.

In the absence of the government's participation it is very likely that UACL would still be a minor supplier of replacement parts of obsolete piston engines and an employer of a few hundred relatively unskilled workers. At the present time UACL employs several hundred highly qualified graduate engineers, and provides outstanding opportunities for the talent of Canadians in the development of advanced technology engineering products. It is one of the few major establishments in the province of Quebec which employs engineers in such substantial numbers on this type of high technology endeavour.

I think this establishes the character of the company, also its shortcomings in the transfer of the work, but its reasons for doing that.

Further, it ought to be said that United Aircraft contributed more than $94 million to the Canadian economy in 1974. The company's expenditures averaged $1.8 million a week for wages and salaries of Canadian employees, employees' benefits, federal, provincial and municipal taxes, and purchases from suppliers and sub-contractors throughout the country. Wages and salaries laid by UACL to its Canadian employees last year amounted to $49.4 million. At the end of 1974, 4,855 people were working with UACL in Canada. Purchases of goods and services from Canadian businesses and industry rose to the amount of $37.8 million in 1974. In addition, UACL spent $3.8 million in capital investment in that year, and is planning to commit more than $7 million to increase its production.

The Acting Speaker (Mrs. Morin): Order, please. I would remind the hon. member that the motion deals with correspondence between United Aircraft and the government.

Mr. MacFarlane: That is why I summarized initially, Madam Speaker. I said I would establish the character because it seemed that somehow the aircraft company was involved in this. If you wanted the papers, I think I said in my first statement that it is writing, written words, that are required. I was referring to what was in that writing, as released by the minister. That seems rather reasonable.

Some hon. Members: Hear, hear!

An hon. Member: Sit down!

Mr. MacFarlane: Having moved away from the character of the company I think I would like to move into the area of exactly what the minister said when tabling the document.

An hon. Member: Oh, no!

Mr. MacFarlane: On January 27, 1974, he said the government's contribution of some $73 million to the company was a good investment. He made that statement after copies of all development agreements between the Crown and United Aircraft had been tabled in the House of Commons. All agreements were tabled, with the exception of three amendments to them. These were excluded on legal advice because they contained classified engineering and cost information which violates industrial security if made public to the company's competitors.

The minister is being quite clear. He is emphasizing that the joint venture between the government and company, starting in 1960, has resulted in the development in Canada of a high grade technical capability to produce small gas turbines for world markets. Coming directly to the point, I think the relevant part is Appendix E, to the notices of motions regulations, although there are many other areas we could touch. It says in paragraph 5:

> Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or group of persons.

If indeed the minister, with the legal advice he had, and in his wisdom really was convinced that the release of this information could jeopardize the company's future financially, or indeed could jeopardize the workers who work there and cause a further transfer of business, then indeed he was acting in absolute good faith and was following the regulations in not tabling the documents.

Copies of all agreements covering development assistance by the federal government to United Aircraft of Canada Limited were tabled, as I mentioned, on January 27. Correspondence between the Government of Canada and United Aircraft of Canada Limited over the past year continues to be of a confidential nature and, if released, would disclose information which is private to the company and would be detrimental to Canadian production and exports.

The main reasons for continued confidentiality are that United Aircraft has provided complete access on a privileged basis to its financial records, to its market analyses, and to its long term plans for product and market development. Disclosure of this data to international competitors could destroy its competitive advantage in the small aircraft engine field, and would be inimical to the Canadian interest.

Similarly, United Aircraft's dealings with its sub-contractors and suppliers in Canada and abroad could be adversely affected by disclosure. Moreover, the department must retain its neutral stance between Canadian companies having dealings with United Aircraft, many of which are privately owned, and would not wish their commercial affairs to be indirectly disclosed.

Finally, releasing the data could inhibit the flow of future information between the company and the government to the detriment of our objectives for industrial and trade development of this high technology product sector.

I really think the reference to paragraph 5 fits pretty good. It speaks of papers containing information "the release of which could allow or result in direct personal financial gain or loss by a person or group of persons." The minister is clearly on firm ground in this matter.

One of the hon. members on the other side has said he does not like my using notes although, after all, I think it is important sometimes for the record to say the words as written down. So I would like to use an analogy. The analogy is very simple. If you have ever been involved in the school system, you know that for a long time they used to write records on record cards, and these cards would go to the principal's office. As a result some teacher would

receive a record that Johnny So-and-So was indeed a very bad boy, an incorrigible. And so the teacher already had the answer to all the questions before he ever dealt with that child in class. That system is not supposed to be in force any more.

It is considered bad, really bad, to have that information which is secret and unavailable to the person concerned, but it is equally bad if you reveal the information which makes it no longer secret, because people make judgments that are not the judgment that teachers made when they wrote that correspondence.

Mr. Knowles (Winnipeg North Centre): So Johnny So-and-So became a Liberal M.P.!

Mr. MacFarlane: I can give another example. As a dean working in the students' area in university I know I quickly came to this conclusion with respect to the loaning of student finances from the university. Sometimes I found it very necessary to make notes on paper which would indicate what the problem was, whether it was something that existed at home, whether it was something that existed in the person's own life, whether it was of a moral character, or whether it was of a criminal nature. It really was a very incorrect thing for me to put that on the correspondence file for someone else to read it at a different time, and in a different way.

● (1750)

Indeed, I remember that at the end of each year I would destroy each and every such file personally, leaving only a record for the accountant of what was owed, be it $300, $450 or whatever, because somebody else reading what I wrote at that time, reading what my assessment was, would not read my comments in the same light, or have the same information that I had. So this kind of privileged correspondence is important. Certain things are said in relation to the events at the time.

I think the time has come, if we are to get along in the field of industrial labour relations, when we must think of companies within the corporate image as a corporate family. Companies, in the same way as labour unions, are people, not inanimate objects. Their character can be smeared. They can be set up for attack by people, and maligned if what is stated in one simple sentence is extracted and presented in the wrong way.

Therefore I am proud to associate myself with those who have spoken against the production of these papers. However, I am also pleased to associate myself with concern for the workers along with the hon. member for Oshawa-Whitby, who I know is sincere. But like the person who calls for another person's record to clear that person, sometimes the presentation of the record is detrimental to the parties concerned.

Mr. Broadbent: Would the hon. member permit a question?

The Acting Speaker (Mrs. Morin): Order, please. The hon. member is rising to ask a question. Would the hon. member for Hamilton Mountain allow a question?

Mr. MacFarlane: No, Madam Speaker; I never open my mouth in front of self-styled experts.

United Aircraft

[*Translation*]

Mr. J.-J. Blais (Nipissing): Madam Speaker, I am pleased to join in the last comments addressed by the hon. member for Hamilton-Mountain (Mr. MacFarlane) to the hon. member for Oshawa-Whitby (Mr. Broadbent), when he refers to his interest in labour relations. I also want to join in the compassion expressed by both the hon. member for Hamilton Mountain and the hon. member for Oshawa-Whitby concerning the problem at United Aircraft in Longueuil. This problem has lasted too long and I want to endorse the desire of the hon. member for Oshawa-Whitby to see the end of this dispute.

Unfortunately, I do not think I can agree with the motion presented by the hon. member. Obviously, he tried very hard to find a justification for the production of the papers but, Madam Speaker, he has not been able, to, because the papers he was asking for contain information which he claims he has already obtained from the minister.

[*English*]

You will recall, Madam Speaker, that the two main arguments that were made by the hon. member for Oshawa-Whitby were, first that he supposes that the correspondence between United Aircraft and I.T. and C. would indicate some pressure coming from I.T. and C. with reference to labour matters; secondly, that the contract which there allegedly was between I.T. and C. and United Aircraft would contain a prohibition preventing United Aircraft from transferring work from Canada into its United States plants.

With all due respect to the hon. member, so far as those two arguments are concerned he already has the information. He asked a question in the House of the minister regarding whether there was any correspondence that referred to the labour matter, and he was given a reply that implied that it was none of the business of the Minister of Industry, Trade and Commerce (Mr. Gillespie) what the labour relations might be between the workers at Longueuil and United Aircraft.

The Minister of Industry, Trade and Commerce is very conscious of the jurisdictional obligations of the federal government, much more so than the hon. member for Oshawa-Whitby, who evidently does not understand that when there are labour conflicts between workers in a province and a company within that province, those relations must be dealt with by legislation enacted by the provincial legislature. Effectively the conflict at United Aircraft is one involving workers who are completely within the province of Quebec and a company that operates within the province of Quebec; ergo the whole problem is one that falls within that jurisdiction.

When we were debating Bill C-32 we heard a lot clamouring from that corner of the House about protecting provincial jurisdiction. One of their Saskatchewan members said that the federal government was poking its nose into provincial jurisdiction and matters that did not concern it. I am amazed that the leader of that party should attempt to stick his nose into something that does not concern him, and which does not concern the members of this House.

United Aircraft

Sympathetic as I am to that particular conflict, I know that the province of Quebec has a responsibility for labour relations within the province. It is not for me as a member of this House to indicate to them how they should discharge that responsibility. I can understand that the leader of the NDP, or rather the potential leader of the NDP, has no party in the province of Quebec and has to use this chamber to indicate what they ought to do at the provincial level. But that is not my role, or the role of any member of the House.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I wonder whether the hon. member recalls the gist of the point of order that he raised about 50 minutes ago.

The Acting Speaker (Mrs. Morin): As a matter of fact I was just about to call the hon. member to order. Perhaps I should let the hon. member know that the motion deals with correspondence between United Aircraft and the government.

Mr. Blais: I fully agree, Madam Speaker, and I am not one to abuse the rules of the House. If I was carried away, it was because of the persuasiveness of my own argument. I might indicate to the hon. member for Oshawa-Whitby that he actually has the information he is seeking, in an answer given him in the House.

I had three other arguments I wanted to put, Madam Speaker, but I think the most viable one is this. We are dealing with a clause in a contract that allegedly prohibits United Aircraft from transferring work to the United States. I point out to the hon. member that there have been $92 million worth of federal funds invested in this corporation. In order to protect that investment a judgment was exercised by the federal government, and was provided in the answer. That judgment was to permit United Aircraft to keep its competitiveness by transferring work to the United States, with the assurance that the work would come back. I suggest to the hon. member that had that assurance not been obtained, that strike would have destroyed United Aircraft. Thank you for your patience, Madam Speaker.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Blais.]

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, before the dinner hour I was suggesting that this party supports the principle of stabilizing incomes for farmers because farmers, perhaps more than anyone else in our country, have to live with the open market system, with existing weather patterns, and are subject to international markets which they can no longer control, and in addition they have to live with the Liberals, never knowing what they are going to do.

The farmers have to meet many uncertainties in respect of income from what they produce. The time has long since passed when the government should have taken the responsibility of stabilizing the income of farmers. This has been the foundation policy of this party and of the CCF before it. We have always said that we should have a farm stabilization program with marketing boards, so we can market farm products in an orderly fashion. These are things this party has advocated for years. There must be guaranteed prices. When the farmer plants his crop in the spring he has no idea what he will get for that crop when he sells it in the fall. This discriminates against the small farmer and squeezes him out of business because he is the guy who has to compete with big agribusiness and the big producer.

This bill is an improvement over the 1971 bill. I thought the minister had learned a few things since then, but perhaps he has not learned enough. When this bill goes to committee there are a number of changes that I and others in my party would like to see adopted. I am sure the farmers would like to have these changes made in the bill as well.

The most important thing we must do as members of parliament is make sure that the agriculture committee holds public hearings throughout the country so that the farmers' union, the Federation of Agriculture, and any other grain group will have the opportunity of contributing some input to this grain stabilization program.

This piece of legislation will fundamentally change the income status of many grain farmers. It is important that the changes are made in their best interest rather than the best interest of anyone else. There are a number of other things that should be changed. I referred earlier to the fact that pay-outs are to be made on a total or global basis, and this is discriminatory.

Let me give an example. There may be a poor quality crop in my area with wheat of grade 5 or lower, yet the average may be grade 1, 2 or 3, so the farmers in my area

would not receive pay-outs from the stabilization fund. That is unfair. Likewise the average income for a particular year might be lower than the average for the previous five years across the board, but you might still have farmers who are getting grades 1 and 2, with others getting inferior grades, yet they would all receive the same pay-out. That is very unfair to the farmers who have inferior grades of wheat or other grains.

This is the type of amendment I think we can all agree on, and this is the type of amendment that will make a better and more equitable bill for farmers all across the prairie grain region.

There are a number of other things in the bill I feel are unfair. I referred earlier to the fact that this measure should be universal in participation. If it were universal I believe it would be stronger and much better.

Under the bill there is to be a levy imposed on the producer of 2 per cent on all grain sold up to a maximum of $25,000, which means a maximum levy of $500 per year. The government will contribute 4 per cent. If there is a deficit, then as I read the legislation the levy on producers will increase from 2 per cent to 2.5 per cent, and the contribution by the government will increase from 4 per cent to 4.5 per cent, and so on. If there is a deficit in the fund for more than three years the pay-outs to the producers will not remain level or static but will decrease, and that too strikes me as something that is really unfair. When the need is greatest for the farmers on the prairies, if there has been a general pay-out for three or four years, the benefits will decrease because there is less money in the fund.

There should be an amendment so that the government will contribute more if there is a serious situation on the prairies for a number of years when income is down, otherwise this measure will not be as effective as it should be, and it will not be much of a stabilizing fund.

I note also a clause that says that if the fund is in a deficit position for three years or more the income of farmers will not be stabilized at 100 per cent of the average for the previous five years, but rather at 90 per cent. Again this is a downward trend in stabilization of farm income if we are unfortunate enough to have several consecutive years in which farm income is dropping instead of going up. That is another amendment I think we should consider when this bill reaches the committee stage.

I note also that all types of grain will qualify in respect of the farm income stabilization fund. That strikes me as rather strange when we know that the government has put so much grain on the open market. We have many people who advocate a free enterprise system in the farm community, and who say that marketing boards are not good and that the power of the Wheat Board is too strong. If these people feel that way and believe in the open market, why should they be allowed to qualify for stabilization? If they believe in free marketing, and the floor drops out from under the price of barley, rapeseed, wheat, flax, oats or any grain, then why should they be covered by this plan? Surely this plan goes against the principles those people advocate when they talk about a free market. I do not believe we should be covering the grain that is sold on the open market. We should not be supporting off-board grain sales under the grain stabilization bill.

Most of us will agree that grain which is sold by one farmer to another, or to a feed mill or a feed lot, should be covered. We can move an amendment so that this type of transaction is covered. This represents a small transaction made between the farmer and someone else, probably in his own community.

However, when it comes to selling grain off the board on the open market, then I suggest those grains should not be covered. If these people want to play the free enterprise game with Richardson and Sons or the grain exchange, then let them play that game, but why should we have a government that comes forward with an insurance plan that will subsidize those people if the floor drops out of the market? This, to me, is another form of subsidization of those involved in grain exchange and private grain trade. We do not need that in this House. If I am to be consistent, that is one part of the bill I cannot support. That is a typical, Liberal free enterprise tactic, where there is free enterprise for the rich, but, boy oh boy, when those free enterprisers get into trouble, there has to be a little socialism to bail them out. Surely to God if they believe in their philosophy, they could follow it through. And why should it be followed up with public funds?

● (2010)

I think there should be marketing boards for all farm commodities and guaranteed prices when there is planned production where the objective is the maximization of food production. We should not be fooling around with food in the open market. We should not be gambling with flax, rye and rape seed on the open market as if gambling with dice in a casino. There is no need for that in Canadian agricultural policy.

Deep down in that big, warm, congenial heart I have a hunch that the Minister of Agriculture (Mr. Whelan) agrees with me, but he is probably having a hell of a fight in cabinet with the Minister of Justice (Mr. Lang) who is responsible for the Canadian Wheat Board. I think the time has come when we should move on the recommendation made, I believe, by the Department of Agriculture to the Prime Minister (Mr. Trudeau), namely, that the Wheat Board come under the authority of the Minister of Agriculture. It makes more sense to me to have all farm jurisdictions, departments and agencies under the Minister of Agriculture. What does wheat have to do with the Minister of Justice? I believe that this is a political move.

I do not think politics should be played in regard to the livelihood of farmers, their futures, destinies and incomes. I think the Minister of Agriculture was right when he suggested to the Prime Minister that he should have the Wheat Board under his authority. That makes more sense, and I think hon. members in this House would give the minister support in that regard. We sometimes sympathize with the minister in his fight with the academic from Saskatoon-Humboldt, and I think we can give him support there as well.

There are several other areas of this bill which should be amended. I notice that when the expenses of a farmer are calculated under this legislation, a number of important areas are excluded. It excludes, for example, depreciation

on buildings used in farm operations. Whether they be grain bins or whatever, they are necessary to produce grain on the prairies. This legislation also excludes machinery. Why should machinery be excluded? There is nothing which depreciates more rapidly on farms than machinery.

Machinery prices have been skyrocketing in the last number of years. This bill ought to be amended so that it will really stabilize income and make sure farmers do not get behind year after year. There should be a formula to include things like machinery and farm buildings. Interest on debts should be included. Interest accumulates for farmers buying machinery and building materials to put up buildings. The interest on such debts is not included in the bill before us. If this bill is to be one which will in a genuine way stabilize farm income, these things should be included.

Another matter which strikes me as being unfair to small farmers is that the pay-out from the fund in an aggregate manner is determined on the proportion of the farmer's share of contributions he has made to the plan. In other words, if a small farmer has had the misfortune of having low quality crops or poor crops for a series of years, and his payments into the fund have been small, when there is a pay-out from the fund, he receives a small pay-out. The small farmer, or the farmer with the bad quality crop, cannot help what kind of crop he achieves, and if there is a fund which will penalize him for being a small farmer or for having a poor quality crop, that will help push them out of the market. That will not stabilize the western grain industry, and we should be doing that at this time.

These are five or six things which should be rectified in the bill which is before us. There are a number of items which should be mentioned, and which our party and other hon. members will be bringing to the attention of the committee when we get to that stage, but I think, that the most important item we have to resolve at second reading today is that if this bill is to be effective, it must be discussed across this country by farmers at open meetings of the agriculture committee. There has to be input from the farmers, be it from the farmers' union, the wheat pool, the federation of agriculture or any other group.

This is a complicated bill. One or two lawyers in the House have said that it is one of the most complicated bills. In many ways it is similar to the income tax bill we debated a few months ago. I think even the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) would say that in certain respects the bill is rather complicated. We do not know what the minister means in some of the clauses of this bill. These clauses have to be clarified.

Farmers have to know what this bill will cost, what it will be giving to them in terms of pay-outs and benefits, and this can only be achieved through public hearings. Surely to goodness, that is democracy. We in this House when we draft legislation are delegates of the people, but before we pass any bills into law which fundamentally affect the livelihood of people, the least we can do is have public hearings extensively where all affected people will have a chance to appear with briefs, if they so wish, to suggest amendments and to recommend to us whether to support the bill in its present form or in an amended form.

[Mr. Nystrom.]

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, it is a great privilege for me to have the opportunity to participate in this debate, and particularly to follow the hon. member for Yorkton-Melville (Mr. Nystrom). I will take this opportunity to welcome him back to the House of Commons after his road show.

An hon. Member: Was he sick?

Mr. Clark (Rocky Mountain): He always makes an energetic contribution, which he did on the road show when he was travelling across the country. I understand that he was recently in my own province and had the opportunity of meeting the one supporter of his party who lives there. I want to congratulate him on that, and welcome him back.

I am also pleased to speak in the presence of the Minister of Agriculture (Mr. Whelan). I want to congratulate him on overcoming what was obviously the design of his colleague, the Minister of Justice (Mr. Lang), responsible for everything under the sun, in arranging for this debate to be held tonight, the same night the Minister of Agriculture was to appear as a witness to discuss one of the few pieces of agricultural legislation which still comes under his jurisdiction. I am pleased that the minister was able to have that standing committee cancelled and that he is able to be here tonight. I imagine this is the closest the Minister of Agriculture will come to Bill C-41, which should have appeared under his sponsorship.

We are all very pleased that this bill is finally back in the House for second reading and that we have an opportunity to discuss a measure which has been of great concern, to western Canadians in particular, for nearly five years since the predecessor to this bill first appeared in 1970. It casts a peculiar light on the priorities of the government when one remembers that this has been an urgent bill ever since December when it was first introduced by the Minister of Justice, responsible for everything under the sun. At that time he said it was a priority matter, yet it has been an priority now for almost five months. Several other bills which are clearly not of the same importance to western Canada, or to the country, have taken precedence over it, but we are pleased that it has now found its way on to the agenda of parliament to be considered at second reading.

I must support an observation made at the beginning of the remarks of the hon. member for Yorkton-Melville when he suggested that the timing of consideration of this bill is unfortunate from the point of view of many of the farmers most directly concerned. It would have been preferable to have had this bill for second reading at the time when the minister said it was a priority, and to have had the opportunity to have the standing committee travel through the country to hold public hearings. This would have encouraged a contribution from the people most directly concerned at a time when they were relatively free to express their concern and not preoccupied with seeding or other problems of the busy season.

● (2020)

I want to return to the procedural question of public meetings of the standing committee, Mr. Speaker. We on this side of the House believe that it is absolutely essential

that the standing committee go across the country, particularly to the prairie regions, so that it will have the benefit of the advice of the people who will be directly affected by the bill.

It is curious that this bill is sponsored by the minister in charge of the Wheat Board when clearly it should have been introduced in this House by the Minister of Agriculture. Since the minister was elevated from the back benches to his present position he has presided over a diminishing department. On one side is Beryl Plumptre picking away at him, and on the other side is the minister responsible for everything under the sun, picking away too. My colleague points out that he is even having difficulties with the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

The Minister of Agriculture often tells us in this House that he is one of the most popular ministers in the government—in fact in any government known to man! It has to be admitted that he is popular with his colleagues because they all come to him to take away responsibilities that should properly be his. This bill, for instance, should have been brought forward by the Minister of Agriculture but instead came in under the sponsorship of the law professor from Saskatchewan.

A meeting of the Standing Committee on Agriculture was cancelled tonight in order to allow the minister to be here to get as close as he ever will to this grain stabilization bill. The standing committee was to have considered Bill C-50, the agricultural stabilization bill. That quite dramatically raises the question of why two bills dealing with agricultural stabilization should come before the House with different sponsors. Why should the agricultural stabilization bill be introduced by the Minister of Agriculture, and the grain stabilization bill which is before us now be introduced by the Minister of Justice?

I think it is important to underline that the matters for which the Minister of Justice is presumably responsible relate to the Wheat Board. The activities of the Wheat Board in relation to grains, however, are by legislation restricted to and concentrated upon marketing. The Wheat Board has nothing to do with the income of farmers or the stabilization of their income. That responsibility properly lies with the Minister of Agriculture.

It is very important to raise the question of the government's determination to strip the Minister of Agriculture of a responsibility which belonged in that portfolio when others held it. If there is any sense or reason to the direction of agricultural policy in Canada today, that responsibility should still belong to his portfolio.

Why does the Minister of Justice introduce legislation dealing with income stabilization in relation to grain? It is quite clear that for some of the grains included in the bill such as rye, flax, and rapeseed, the Wheat Board has only a limited responsibility related to quotas. The sponsorship of this bill by the Minister of Justice responsible for the Wheat Board will only lead to an expansion of the interest of the Wheat Board instead of curtailing its activity.

There is a parliamentary reason for worrying about this sponsorship. The relationship of this bill to the Canadian Wheat Board may make it more difficult for parliament to keep tabs on what is going on. We are all acquainted with the frequent practice of the Minister of Justice in charge of the Wheat Board of ducking criticism of that body by saying, "That is a Wheat Board responsibility," and accepting responsibility only when things turn out well. Everyone who has attempted to read the bill agrees that it is a highly complicated piece of legislation, so it may turn out to be difficult for parliament to get answers.

The simple answer to the question of why the Minister of Agriculture has been stripped of a responsibility which should properly be his may be that the Minister of Justice is more influential in the cabinet, and that this bill is another piece of the personal political empire that he is attempting to accumulate.

I suppose it could be said that the Minister of Justice does not have much to do. His activities seem to be limited to denying inquiries into activities which clearly demand them, and to offering unsolicited legal advice to the Secretary of State (Mr. Faulkner) when that minister wants to extend assistance to organizations in the constituency of the Minister of Justice. He does not have much to do in his own portfolio and, being an ambitious man, reaches for responsibilities which properly belong to the Minister of Agriculture.

We have a certain sympathy for the dilemma of the Minister of Justice because he cannot decide which other portfolio he wants to have—is it Minister of Justice responsible for agriculture, or Minister of Justice responsible for transport? He has just returned from a whistle stop pogo stick jump of the prairies, grabbing at the jurisdiction of the Minister of Transport (Mr. Marchand). The Minister of Transport was so alarmed that he took the unprecedented step of going out west himself to see what the Minister of Justice was up to, Mr. Speaker. The Minister of Justice is entitled to his ambition, of course, but we must seriously examine his attempts to take over the functions of the Department of Transport and whole programs of the Department of Agriculture. These ambitions portend confusion and a lack of co-ordination of agricultural policies.

An hon. Member: I hear he wants to take over CEMA.

Mr. Clark (Rocky Mountain): That is one that he has been content to leave to the Minister of Agriculture—if he has it and not Beryl Plumptre.

The serious problems are the capacity of the Government of Canada effectively to co-ordinate agricultural policy, and the right of Canadian farmers to know that the programs being devised and the structures being established are in their interests, and not designed to further the ambition of a particular minister, such as the Minister of Justice. There are very real concerns. The bill before us deals with the incomes and security of countless numbers of Canadians who make their living in one of the most unpredictable professions, agriculture. The confusion about who is responsible for the co-ordination of agricultural policy makes things even more difficult for them.

● (2030)

There is another aspect to this which concerns many members of this House, and it is that the duplication involving competition among ministers for jurisdiction over agriculture may substantially add to the costs of

government. Certainly the structures that were established to deal with agricultural problems and that were evolved to deal with agricultural policy should not be shaped simply to suit one man's ambition. There should be a much more rational inspiration behind the development of agricultural policy in this country than is presently the case with the Minister of Justice reaching out for everything he can grasp.

There is no rational reason for having this bill introduced in the name of, and proceed under the direction of, the Minister of Justice. Yet we are building into the legislation a reliance on Wheat Board proceedings. We are building in, by having the Minister of Justice responsible for this agency, the suggestion that there will be a continuing relationship between this program, which has to do with the incomes of grain farmers, and the Wheat Board, which to this point and under the act, has had to do exclusively with the marketing of grain products. There is no rational reason for that. The simple reason is that it happens to serve the interests of a particularly ambitious and influential minister.

The problem is that strong though the Minister of Justice may be, he is not going to be there always, and the program and legislation we are designing at this time will almost certainly endure after the minister has gone. The structures we are establishing will almost certainly have to be dealt with by Canadian farmers after this particular minister has gone; yet we are establishing structures and evolving a policy shaped simply to serve the ambitions of a transitory minister. I think that ought to be a matter of concern to all of us.

I must admit that perhaps one of the reasons why this bill has not been sponsored by the Minister of Agriculture, who has always identified himself in this House and elsewhere as being a simple farmer, is that he cannot understand it. We sympathize with him. Even my distinguished legal colleague from Saskatoon-Biggar expressed a certain difficulty in understanding the complexities of this legislation. The complexities of formulas set out in Bill C-41 make the filling out of income tax forms seem relatively easy.

This is complicated legislation and leads me to suspect that the Minister of Justice, who is responsible for the Wheat Board, harbours some continuing interest in the job prospects of the graduates of the law school of the University of Saskatchewan. Certainly, he is introducing here a piece of legislation which will keep them busy for a long time to come, as farmers try to figure out how to deal with this legislation and what it means. It is a bonanza for lawyers, but it may turn out to be something considerably less for grain farmers. It will also keep several other groups busy, too, because this legislation in all its complexity cannot possibly be carried out without a substantial bureaucracy. Clearly, tonight, in considering Bill C-41, we are being invited to establish an even greater bureaucracy to deal with this complex legislation.

As I said earlier, the concept inspiring this bill was first introduced in parliament in 1970, and was given second reading in 1971. The bill then before the House received such universal criticism and condemnation that it was simply battered down by public opinion. There was overwhelming, universal opposition by farm spokesmen, individual farmers and members representing agricultural regions in this country, and for those reasons, because of the extensive opposition, the government withdrew the predecessor bill. There were three features of that predecessor bill which were particularly objectionable. One was its compulsory nature; the second was the failure of any willingness to engage in indexing; the third was that there was no regionalization. Once again the bill dealt with the whole area of the prairies. It was universally attacked, and withdrawn, and in the replacement that has been brought forward at this time there is evidence showing that the government has learned some lessons.

The question of indexing, of course, has continued to be of embarrassment to the present government. Most of us in this House remember what has become enshrined in history as the Truro speech of the Minister of Finance (Mr. Turner). That minister, after admitting that his most recent attempts at developing an economic policy for the country have failed, has departed for another round of mysterious economic conferences which keep him outside this House. The Minister of Finance, when the concept of indexing was introduced by the leader of my party, attacked that concept all out as the worst possible thing which could happen. As we know, a little later he embraced it as his own. That has become, of course, a favourite practice of that whirling dervish, the Minister of Finance. I will not be surprised if, when the budget comes down at the end of this month, we find that prominent in its contents are policies which he attacked with such roundness and vigour in the election campaign of ten momths ago.

As I say, indexing was the matter he opposed in the period of the first introduction of this bill. For that reason, among others, there was no inclusion of an indexing provision in the first version of the bill that we received. But now there has been a change and the bill before us involves an indexing of a sort, an indexing of some of the costs of production. Yet, as several of my colleagues have indicated and as some Canadian farmers know to their great concern, indexing is not to be applicable to all the costs of production which Canadian farmers will face. It is to be a partial indexing; but a partial indexing is better than none at all. There are still serious difficulties that we will want to examine more fully at the committee stage, and I am sure individual Canadian farmers will wish to ask questions about the bill if they are given the opportunity to attend public meetings of a standing committee which has a mandate to travel.

The second element of that first version that was objectionable was the compulsory element. Now it is not completely compulsory; it is only partly compulsory for a farmer to become involved in this stabilization program. The minister delights in calling this a voluntary program, but this, I suggest is a highly misleading description. For one thing you are, in effect, locked into this program. You can only opt out of it. There is no provision to opt in, only a provision to opt out. Unless you take the initiative, you are involved in this program. That is a peculiar feature among Canadian government programs.

Many programs are said to be voluntary and give the right to individuals who may be affected to decide on whether they want to be in the program. In this case the

situation is reversed and the participants must make the decision as to whether they want to be out of the program. In addition, that provision to opt out exists only for farmers, as I read the bill, who happen to be engaged in grain farming at the time the act is proclaimed. If you come in later, you have to live with the program. You do not have an option. If you happen to become engaged in grain farming after this legislation is passed, you do not have an option.

One again, under this partly compulsory, partly voluntary measure, if you opt out and then in again, you suffer a penalty. So, it is voluntary in that sense, that is to say, voluntary at a price; and while the price may not amount to a great deal in dollar terms, certainly it detracts from the claim that it is a purely voluntary program. It is not voluntary if you must pay a penalty for exercising your will.

I want to deal for a moment with the fact that people who become involved in grain farming after this bill comes into effect are to have no option. They are to be locked into the program. You know, it is a fact of life that there are certain certainties you must expect when you become involved in farming. You can expect to face drought, rain, and other problems including, I suppose, a special species of pestilence which can be called "Otto's army". If this bill is proclaimed and put into effect, once you get into grain farming you will be subject to the provisions involving the inspections, bureacracy, and the Liberal party in prairie Canada on wheels, that will flow out of this legislation. You will not have a choice.

● (2040)

Mr. Knowles (Winnipeg North Centre): Otto's army worms.

Mr. Clark (Rocky Mountain): The hon. member for Winnipeg North Centre (Mr. Knowles) suggests "Otto's army worms". That is probably a more descriptive phrase. If you get into agriculture after the proclamation of this bill, three things are certain: death, taxes—and Otto Lang. That is a matter to give very serious cause for concern to anyone either considering or engaged in the occupation of grain farming which would make them subject to the bill, once proclaimed.

The third major weakness in the original version of this bill is a weakness which remains. It has to do with the fact that the bill is applicable only across a broad region. Others who have spoken have made the point that in cases where there might be continual poor crops, or in cases such as the Peace River area which might suffer frequently from problems of either drought or too much rain and a loss of crops, this legislation we are now establishing does not come into effect. It comes into effect only if the whole region is affected.

The minister of—I keep forgetting what to call him. It is so improbable that a Minister of Justice should be responsible for this bill. He is the Minister of Justice responsible for the Canadian Wheat Board, the grain stabilization bill, and everything else he can get his hands on. In a press release last December he stated that he recognizes there is a weakness in the fact that the bill applies only across the board and does not allow any more specific application. He said he would undertake a study on regionalization to see if the bill could be made effective in particular locales that suffer particular problems. However, we have seen no evidence of that study.

The bill is back with the same fault that marked its predecessor. Perhaps we can get the Minister of Agriculture involved in this legislation, at least to the point of carrying a question to his colleague who runs everything. He might ask his colleague what happened to the study into the possibility of regionalization of this program. That is certainly a matter we will want to go into at length during the committee stage.

This is a very serious matter in many parts of the country, including part of my constituency which is liable, to an unusual degree, to crop problems and crop failure. This bill will not be of much help to farmers there if they suffer difficulties which are not shared across the whole of the region. It is a better bill than its predecessor. It has to be because the predecessor inspired such outrage in the agricultural community that it had to be pulled back quickly. However, it still has some faults in that there is only partial indexing, not the complete or fair kind of indexing that allows taking into account all the costs of production faced by grain farmers. There are still several compulsory aspects to membership in the program. There is still the refusal to let it apply to areas which have special problems as well as the requirement that it applies across the board.

I want to deal for a moment with the costs that are involved here and with the size of the staff for the operation that we are establishing. It has been made clear that the contributions of grain farmers will not go into the administrative fund. In other words, Treasury Board is going to meet the administration costs. That, in effect, gives a free hand, a carte blanche to the Minister of Justice who is responsible for this bill.

We know from a very unhappy experience how agencies established for apparently limited purposes can grow and grow. We have seen it with the CBC, which has sent more people than most governments to cover the conference of Commonwealth Prime Ministers in the Caribbean. We have seen it with Information Canada, which was established for a particular function which it promptly abandoned. It has continued to grow. We have seen it with several agencies.

There is the very real danger that by providing a kind of carte blanche funding from the Treasury Board, not from the program, and without adequate means of scrutiny or any clear indication by the minister as to the dimensions of the staff and cost, this could run into a very expensive venture. That is particularly true when you bear in mind the capacity to build the administrative machinery of this bill into a 1974 version of the Jimmy Gardiner machine. We on this side of the House would be less than frank if we did not express a very real concern that part of the purpose of the Minister of Justice responsible for winning seats in Saskatchewan is to turn the administrative machinery of this bill into a political arm of the Liberal party.

Mr. Nowlan: Like the Senate.

Mr. Clark (Rocky Mountain): My colleague aptly says, "Like the Senate". This will be an agency allowing a much broader membership than the Senate. If you look at the duties that have to be carried out under this bill, there is a very substantial requirement for staff and money.

The administrators of this provision will have to look into cases of individual farmers, and process and deal with them. That takes staff. They will have to send endorsements to individual farmers. That takes staff. They will have to work out their refunds that will have to be paid when they make mistakes, as inevitably they will. That takes staff, both to make the mistakes and prepare the refunds.

There is a requirement that they have to penalize people who are called conditional participants. It is a wonder of the English language how you can have a conditional participant in a voluntary plan. That is what we have here. They will have to police that provision to make sure that those who have the audacity to opt out of the program in the first instance are penalized. That will take staff and money. In order to make this work in individual cases, we will require large staffs, computers, Einsteins and mathematicians housed somewhere in western Canada. They will be required simply to make calculations of the way this works. Reviewing the records of individual farmers will take staff and cost money.

There is a reference in one of the explanatory notes to this bill about a public relations function that will be undertaken by the administrators of this program. From what we know about the way the government handles its public relations, that will certainly cost a lot of money. We have here, among other things, an undertaking to have the Treasury Board of Canada fund an administration program that could be very large.

When we get to the standing committee we will want answers about the kinds of activities that are going to be carried out in administering this program, and what guarantees there will be on limits on the growth and staff and cost of this program.

I come from a province where there are not many Liberals. That is one of the advantages of Alberta. My concern is that under this provision the Minister of Justice, responsible for extending comfort to Liberals in western Canada, could hire every Liberal in Alberta as an administrator of this program. That is a matter about which we have to be very careful and concerned.

● (2050)

There are a number of other matters with which one could deal when discussing this legislation. It is particularly ironic that we should be considering a bill having to do with income derived from grain at a time when the real problem is not stabilizing grain incomes but the movement of the grain. My hon. friend from Vegreville dealt with this aspect, and drew attention to the failure of the ministers concerned with agriculture to confront directly this serious situation, one which causes more concern than any other to western Canadians engaged in agriculture. They are worried most of all about the increasing difficulty of moving their crops to export markets. This is where the priority should lie. Having delayed this so-called urgent measure for five months between first and second readings, surely the government could have taken some action in the interim to improve the grain transportation picture.

There are specific questions raised by this bill, and they need to be answered. One of them is of interest to a good many of my constituents who are just entering the agricultural industry. What is meant by an actual producer? Who will be eligible? Is a hobby farmer, for example, eligible to become involved in the grain stabilization program? What about the homestead farmers, perhaps someone in the Little Smokey region of Alberta who works in the oilfields to build up a farm, but who is only spending part of his time in agriculture? Is such a person an actual producer, eligible to take part in the program?

Why does the calculation of costs not take into account the interest farmers have to pay on debt? Why does it not take into account the depreciation of capital? Another question: whatever happened to this mythical study of regionalization to which the Minister of Justice alluded in his brief statement in December? Is it simply to remain a study? Has such a study in fact been conducted? And, if so, will the minister tell us what it contains? Is there a chance that the legislation we are dealing with will be changed because of the impact of that study?

Why is the only option available to farmers under this program an option to go out? Why should the system not be reversed so that the option would be to come in? That would be a genuinely voluntary approach, whereas what we find in the bill is a highly qualified example of the exercise of voluntary will.

I have another important question while the Minister of Agriculture is here. What will be the tie-in, administratively or in terms of policy, with the Department of Agriculture? Will the system being set up here continue as an empire of its own under the Minister of Justice, or will machinery be established to ensure that activities carried out under the grain stabilization program are consistent with other policies? What is to be the role of the Minister of Agriculture in this piece of agricultural legislation which has been removed from his jurisdiction because of the insatiable ambition of a Minister of Justice who wants to be responsible for whatever he can lay his hands on?

What will be the cost of administration, money which will have to be found by the Treasury Board? I am interested in the size of the staff which will be required. Will the Minister of Justice be able to go out and hire every Liberal in Alberta, or will more than 11 people be needed to run this scheme?

An hon. Member: The filibuster is getting entertaining, anyway.

Mr. Clark (Rocky Mountain): There are a great many other questions which some of my hon. friends will be raising as the debate proceeds. We are pleased the bill is back in the House in a form which has been considerably improved. Apparently the government has learned a lesson; it is a better bill than the one it started with. Though it gives rise to a number of problems and there are a great many questions to be asked about it, this legislation is of importance to the part of the country from which I come. It is essential that before we get to third reading, before we conclude the committee stage, an opportunity be provided for grain farmers to contribute directly to the

consideration of this measure and that the government, which has the power of life and death over committees, committees which are not merely its creatures but its tools, should give the agriculture committee authority to travel through Western Canada and hold open hearings.

An hon. Member: Another jaunt.

Mr. Clark (Rocky Mountain): It is particularly important that this process be carried out at a time when those directly concerned by the legislation are able to participate. It would be foolish to send the committee out to hold hearings while farmers are too busy earning a living to appear before it to make representations. Before this bill becomes law it is essential to seek the advice of Canadians who make their living growing grain.

Mr. Whelan: On a point of order, Mr. Speaker, I want to reassure the hon. member and the House that there are still Canadians who have confidence in the Minister of Agriculture. This letter comes from Picture Butte, Alberta. I should like to read just one sentence:

I should like to thank you again for the help you have given to the industry. It is more than any previous Minister of Agriculture has achieved.

Need I say more, Mr. Speaker?

Mr. McKinnon: Would the minister table that letter so that the rest of us might benefit from reading it?

Mr. Whelan: Following the usual procedure, I can only table it with the consent of the writer.

An hon. Member: Your brother will agree.

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, I am pleased and proud to be able to say a few words this evening in the debate on Bill C-41. It is a bill of great significance, and I believe this debate will prove to be an historic one not only for this House but for the part of Canada which most of the speakers who have participated represent, that is, Western Canada.

I am interested in the peculiar debate which has been taking place as to the importance of this legislation. The hon. member for Rocky Mountain (Mr. Clark), I am glad to note, has finally concluded that it is a very important piece of legislation for Western Canada. Earlier this afternoon I listened to the hon. member for Vegreville (Mr. Mazankowski). He began by pointing out some of the difficult situations existing in the grain industry. The years 1969 and 1970 were a time of crisis in the industry, and it was that very crisis that prompted the original proposal. The hon. member spoke of Bill C-244 and referred to the strenuous debates we had on that bill. There seemed to be approval in principle but a great deal of discussion about the precise details of the original stabilization proposal.

● (2100)

It seemed to me that the hon. member was saying that the whole idea was an important one, but he questioned whether or not it was now appropriate to deal with it by this legislation. He said we should deal with a good many other things, and he referred to transportation and labour problems. I agree that they are serious and deserve the attention of the House, but I suspect, Madam Speaker, that western farmers will be very interested in this debate and anxious to see it proceed.

Continuing in the same vein, I listened with interest to the hon. member for Lisgar (Mr. Murta). He said it was crucial to travel with the agriculture committee to provide farmers and organizations with information about the bill and to receive their representations. I should like to discuss this aspect a bit further. It seems to me that in making the proposal the hon. member is saying that the whole idea is a very important one and that the farmers should be given an opportunity to discuss it. On the other hand, the hon. member questioned whether this legislation is really important, something that we should write home about", so to speak.

Thus I am a little confused whether or not hon. members opposite think the legislation is important or not. I am happy for the odd unequivocal statement of the kind we heard from the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), and the hon. member for Rocky Mountain, who said specifically that it was very important and that they were glad to see this kind of provision once again before the House of Commons.

This bill, or I suppose more particularly its predecessor, has a rather special association with the Assiniboia constituency. A grain stabilization plan for western farm incomes and for the general economy of the west was first proposed in specific terms by the present wheat board minister in October of 1970 in a document entitled "Proposals for a Production and Grain Receipts Policy for the Western Grains Industry" dated October 29, 1970. At that time the minister discussed a whole variety of problems in the grains industry and proposed solutions to those problems, ways to attack them.

One of the proposals that was made was the western grain stabilization idea. That concept developed not easily but was the product of a lot of work in many quarters, both inside the House and in the Government of Canada, as well as among farmers and farm organizations. All of this work was directed toward attacking that age old problem in western agriculture, which I am sure is also common to members in this House who represent constituencies outside of western Canada that have a rural background. I refer to the problem of the recurrent, jolting bust years that come time and time again. Farmers are never able to enjoy the good years, the good years when they are at their peak, for fear of how low the next valley will be.

This is the problem that the grain stabilization concept was directed to four or five years ago when it was first suggested, and it is the same problem that we are trying to attack today. Many farmers and farm organizations contributed to the development of this concept at the beginning.

In connection with that landmark proposal that originally came before the House five years ago, it would be particularly appropriate this evening to acknowledge the concern, hard work and tireless effort of a previous government member for Assiniboia in this House. I refer, of course, to a most distinguished Canadian and member of parliament, the late A. B. Douglas of Weyburn, who represented Assiniboia from 1968 until 1971. His dedication to

solving this problem is one reason why I say this bill has a very distinct connection with the Assiniboia constituency.

Another reason I say Assiniboia has a peculiar interest in these proposals was alluded to earlier today by the hon. member for Yorkton-Melville (Mr. Nystrom). After Mr. Douglas's untimely death in 1971, a by-election was called and fought in Assiniboia. The campaign was based largely upon the 1970-71 stabilization proposals; they played a major role in the discussions at that time. I was a little saddened at the attitude that I detected was taken by the hon. member for Yorkton-Melville, indeed by others in the House today, who seemed to express a great deal of glee, patting themselves on the back, that the 1971 proposals were not successful.

It seems to me that that is not a particularly good reason for any member of the House to rejoice, and I wonder whether their priorities are not a little twisted. If they are happy with that sort of result, then I wonder whether they are showing genuine concern for grain producers or rather are merely exhibiting political expediency. I think the hon. member for Yorkton-Melville gave himself away when he spent a great deal of time on the question of the Assiniboia by-election and the provincial election in Saskatchewan, both of which were fought that year. In both campaigns members opposite went out of their way to explain, or to mis-explain, if you like, what the stabilization idea was all about.

As you might suspect, Madam Speaker, I was not particularly elated at the result of the election in Assiniboia in 1971, but as I pointed out to the hon. member for Yorkton-Melville this afternoon, since that time we have corrected that particular problem. I was not particularly elated either when in 1971 the stabilization proposal was ultimately withdrawn. I do not say it was a perfect plan. It was not a perfect plan and no one at that time pretended it was. But it was a good beginning, a place to start.

Never before had any government in this country pioneered this particular field. They paid a lot of lip service to it and we heard much rhetoric about how nice it would be to solve the problem, but no one got around to putting a specific proposal before parliament or before farmers which they could examine in an effort to try to solve the problem.

It is interesting to note that we did not see this kind of magic solution to the stabilization issue even 15 years ago when hon. members opposite sat in this House with the biggest majority any government in this country has ever had.

Bill C-244 in 1971 ploughed a lot of new ground. Indeed it is no exaggeration to say that it laid the foundation for the new major proposals we have before us this evening in Bill C-41.

I was interested in the figures that the minister reviewed in his remarks to the House on Monday evening when he spoke on the consideration of this bill on second reading. Those figures demonstrate quite clearly the kind of value in pure dollars and cents that Bill C-41 will have for western Canadian grain producers. He demonstrated how much cash would have flowed to the pockets of western grain producers over the last ten years had this proposal been in effect during those years. It seems to me that this kind of result in terms of dollars and cents is what we should concern ourselves about so as to ensure that the farmers of this country will not in the future have to worry about these jolting periods when their incomes fall to rock bottom as a result of problems over which they have no control at all.

In 1971 we listened to different criticisms, different depending upon where that criticism came from. We heard much criticism from members of both parties opposite, and we received some very legitimate suggestions for improving the bill from farm organizations in western Canada. But let me compare the difference in emphasis here, Madam Speaker. Why were the parties opposite criticizing? The hon. member for Yorkton-Melville spelt that out very clearly: they were criticizing for the purpose of an election in Saskatchewan and by-election in Assiniboia riding.

On the other hand, the farm groups had an entirely different emphasis. They were talking about putting in place a plan that they believed was in their best interests, one that would operate in the long term in their best interests. I do not think they wanted to see the stabilization proposal postponed for one year, two years, or five years; they wanted a plan in 1971 that they could regard as being in their best interests. They put forward proposals for changes and suggestions for improvement and that, indeed, has been the basis for the kind of work that has gone on since 1971 within the grains administration of the Government of Canada; putting this kind of suggestion for improvement in place.

● (2110)

These are constructive suggestions that have come forward from farm groups and farmers in this country, and particularly western Canada, and not the kind of negative, nit-picking, partisan criticism we heard from members opposite in 1971, and again today. That kind of criticism has not contributed one iota to improving the situation in western Canada.

That story dating back to 1971 is an interesting one. It is one that I suppose has some happy times and some sad times, but it is history, and some of it may be characterized at this stage as ancient history.

But in the interests of farmers of western Canada in 1971, when he withdrew the grain stabilization bill at that time, the minister responsible for the Canadian Wheat Board made one very firm commitment. He said he would return with it in an improved form to take account of the suggestions from farmers and farm organizations, and so tonight we come to consider Bill C-41 in principle and, later on, I hope very quickly, in committee in some detail.

I think the minister's explanation of the principle of the bill is very well set forward in his remarks of last Monday. There is no real point in going through the bill clause by clause at this stage because that is the function of the committee. There are some very interesting and important but minor points, if you like, that should make this program in its entirety very attractive to western Canadian grain producers.

First of all there is a small but important aspect, and that is that the levies that will be paid by farmers will be tax deductible as a farm expense. This is written into the

legislation. Again I say this is a small item, but one of those things that can mean a lot in terms of making the program function smoothly.

Members today have discussed the question of "voluntariness" and the series of combinations and permutations of that. I will discuss that in a moment in more detail. In moving toward this voluntary concept or feature of the stabilization plan, this is not an easy thing to do it you want to make the plan totally effective, but it is the kind of thing I think western Canadian farmers will appreciate.

In addition we have as part of the stabilization plan the creation of a five-member advisory committee composed of farmers or farm representatives who will advise on the administration of the plan.

We have heard some reference tonight about the administrative costs of the plan. I know the minister will want to say more about that, probably in his concluding remarks or before the committee, but it is clear that the cost of administering this plan will not be borne by the farmers of western Canada out of their stabilization fund, but rather by the federal treasury.

Another interesting thing, and I am sure this will be of interest to the hon. member for Saskatoon-Biggar, is that payments to the producers will be exempt from legal process.

Again, the solvency of the stabilization fund, another small but interesting point, is guaranteed by the federal treasury. In addition, whenever the fund is in a surplus position the federal government will be paying interest to the fund. This is a series of small features, if you like, but features I think farmers will be interested in knowing about as they become more familiar with the stabilisation plan; features which should make this bill in some measure at least attractive to them.

I have listened very carefully to most of the debate we have had in the past two or three days on Bill C-41, and it seems to me there have been three main criticisms coming from people across the way. The first one, and the one that seems to have occupied the most time during the comments we have been hearing, is that the proposal is complicated. Well, Madam Speaker, so is the problem. We have had a longstanding and recurrent pattern of grain incomes in the west being up one year and down the next. As I said earlier, you cannot be happy about the good times for fear of how bad the bad times will be. You only have to look at the pattern of grain incomes for the past quarter of a century, since the second world war, to see that gyrating line going up and down and up and down. As the hon. member for Regina-Lake Centre (Mr. Benjamin) pointed out, this issue of how to deal with that has been on the minds of farmers and western Canadians generally for years. That is so because when farm incomes go up and down so does the entire economy of that particular part of Canada.

This problem has been on the minds of western Canadians not just for the past five years or 15 years or 20 years. The problem goes back many decades. It is one that I suppose in a way has compounded itself over time. So we have a serious problem with this fluctuating pattern of incomes in western Canada, and it is difficult to attack it effectively. We have had piecemeal proposals in the past that, on the periphery, have attempted to do something, but there have been no quick, simple or easy solutions.

It is important, as hon. members opposite and members on this side of the House have suggested publicly and privately, to provide information on the complexities of the program to farmers in order to get their reaction, and explain the details to make sure that everyone who can be affected has an adequate understanding of what the proposal is all about. However, simply to say it is complicated and complex, or that you have not had time to read the lengthy bill, is not a valid criticism.

I suppose we could say that if the answer had been quick, simple and easy, even that administration of 15 years ago, which sat in this House with the biggest majority of all in history, might have been lucky enough to stumble onto the solution, but it did not because the problem was a little bit beyond it.

The other criticisms that have been mentioned tonight, which I think are more logical and more interesting, and ones I want to give rather considerable attention to as we go through the committee work, involve the matter of dealing with the voluntary nature of the plan and its greater regionalization.

The voluntary aspect seems to have two sides, and they were alluded to at least indirectly by the hon. member for Saskatoon-Biggar. First of all there is the matter of the producer who comes into the program after it is in place, whether two years or five years from now, or two weeks after the bill is proclaimed. What is his position? As the bill stands at the moment it would indicate that he is included in the calculations.

There seems to be some logic in looking at the suggestions that have come forward from farm organizations, and others, that under the proposal the new farmer starting out after the plan has been put into place should have some option to decide to opt out of the program. I would very much want to look at that particular suggestion in more detail when this will no doubt be put to us by farm groups appearing before the standing committee, and when it is discussed by members around that table. There seems to be some substantial argument for extending the voluntary aspect of the plan to include that particular person.

There is another aspect to which the hon. member for Saskatoon-Biggar referred, and which was passed over as well by the hon. member for Rocky Mountain (Mr. Clark). This aspect relates to the fellow who is in the plan one year, out the next, then wants back in, then wants out, and then wants back in again. He is the "inner and outer", the fellow who, I suppose, would want to take advantage of the stabilization plan when it suits his income position, but really does not want to contribute to it or have any investment in its future when things are going well, because at that particular moment in time he does not feel the necessity for a stabilization program.

I will want to look at that latter proposition very carefully before moving toward any kind of concession on that point. I think it is important to allow the producer to change his mind if he has decided to opt out, and to make application to come under the plan, but whether we should continue indefinitely so that the producer can decide to be

in one year and out the next seems to me to be something that we would want to question very seriously before adopting.

As I say in respect of the voluntary aspect, I am rather sympathetic toward the suggestion about the new producer, but in respect of the proposition that people should be able to fly back and forth at will, if you like, without any regard to the continuity of the plan, I am not persuaded that that would be a particularly good idea.

● (2120)

The second aspect, which I said is more substantial than the rather weak criticism that this bill is complicated, seems to have more merit. That is the question of regionalization. It is important to make this plan the best we can put together. It is important to make it sensitive, if we can, to provincial, or perhaps even smaller regional variations. It is important to recognize the very practical differences between one region on the prairies and another and between one part of a province and another.

Earlier this evening I saw the hon. member for Meadow Lake (Mr. Cadieu) in the House. His part of Saskatchewan varies rather drastically from mine. There are real substantial and practical differences. As far as statistically possible, it would be useful to move toward a greater regionalization in the concept of the stabilization program.

I am happy that in his remarks back in December when he introduced the bill for first reading, and in his comments earlier this week, the minister clearly indicated that, if at all possible, work would be proceeding toward this worthwhile end, and hopefully in the future we will see that, based upon greater sensitivity to regional differences.

There is an important question we should be asking, and that deals with how far we should go with this concept. I want to be very careful before recommending a reduction of a grain stabilization plan to the absolute individual non-averaged basis. It seems to me that there is a danger there, and that we should be careful before we proceed to it. The danger is simply that a plan of that nature would serve to reduce the incentive for good farming practices and dampen a producer's personal initiative.

I do not believe farmers generally would want to see a program which would render it rather irrelevant as to whether they followed good production practices and properly exercised their personal judgments regarding how their own farming operations should be run. That is a problem, if we are talking about what really amounts to an individual kind of calculation. This is a consideration which I think we should bear in mind when we consider the general question of making the plan more sensitive to regions, or perhaps going beyond that.

Over the last four months or so since the grain stabilization plan was introduced in this House last December, I have been spending a good deal of time around my part of Saskatchewan talking to farmers at dozens of meetings, public and private, and invariably the question of the stabilization plan for grain came up. I have found, in my discussions with producers, a great deal of curiosity about the plan, and an anticipation to hear what the full scope is and to hear the full detail. They have many questions, but above all in my discussions I found a very broad and general measure of support for the stabilization plan introduced by the minister responsible for the Canadian Wheat Board.

We all have to be involved in the informational process, because before producers, either in a political sense or in the economic sense, can make a judgment about this bill, they will want to understand clearly and fully the total implications. There is a responsibility on every one of us in this House to engage in that information process, and to assist farmers in western Canada to understand what the stabilization bill stands for, what it will attempt to do, and how it will effect individual producers.

I am looking forward to serious consideration for this bill and parliamentary approval at a very early date, at least in time for application of the stabilization plan to the 1975 year. I think western farmers are looking forward to the same thing.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I have been interested in listening to this debate, but I have not enjoyed any speech more than the one just made by the hon. member for Assiniboia (Mr. Goodale). When the Minister of Agriculture (Mr. Whelan) does not look back, he is not really sure whether the Minister of Justice (Mr. Lang) is making the speech or whether he made it the other day. I noticed he was interested in both speeches and in their similarity.

The hon. member for Assiniboia made a statement, which I thought was very amusing, about how wonderful the stabilization plan was when it was first introduced in 1970, and about how much farmers would have benefited from it. He is repeating an argument the Minister of Justice made the other night by saying that if the plan had been in effect back in the late 1960's, farmers would have benefited much from it. It is probably safe to say that by killing the stabilization bill as it was proposed in 1970-71, we probably saved western Canadian farmers something in excess of $500 million.

The government was in a position to do a number of things which were involved in the original stabilization plan, which it did. It dropped the storage grain reserves act after it retained very little storage for a two year period. That provided western farmers with the ability to store grain without having to pay exorbitant costs for a long period of time. I think it would run into hundreds of millions of dollars over a period of time. Of course that is no longer available to western Canadian farmers.

In another piece of legislation now before parliament we are again dropping the prairie farm assistance bill, which has within it $7 million or $8 million. If we had dropped that in the 1970-71 year, I presume the farmer would have benefited from that fund in those intervening four years at least $10 million a year and probably more, which means another $40 million or $50 million.

That indicates to me one of the weaknesses of this stabilization program because that assistance which was provided to western Canada for many years, and which was used by farmers, is no longer available to them. Substituted for that is a new proposition which will stabilize the shortfall in income, if that shortfall takes place, over the whole area. This is being done in a very complicated way, despite the remarks of the hon. member for

Assiniboia. I would like him to explain to the Minister of Agriculture—who I hope will gain control of this eventually—the three formulas. I do not think it is complicated, but I think hon. members will agree that it is confusing.

The Canadian Federation of Agriculture explained it to the members of the agriculture committee in a letter recently, when it wrote this:

> The legislation therefore contains a formula for calculating the ratio which first of all adjusts for inventory changes, but also reduces the marketings and inventory changes to numbers of acres based on the average five year yields.

Of course the minister is familiar with that because he used that part of it in some other legislation. This letter goes on to say that:

> These are compared to the numbers of acres of grain seeded, to give the marketing to production ratio. Table I gives a simplified example, using only two grains, of how this ratio is arrived at. Table II, which follows, shows how the stabilization payments are calculated.

I will read from Table 1. There are, of course, six basic grains in the index that have to be administered. The table is as follows:

● (2130)

Table 1—Marketing to Production Ratio (example—not actual figures and as if only two grains are involved—wheat and barley)

	Wheat	Barley
Production	675 million bushels	532 million bushels
Marketings	500 million bushels	250 million bushels
Inventory change	+ 25 million bushels	+ 25 million bushels
5-year av. yield	25 bushels/acre	40 bushels/acre
actual yield in yr.	27 bushels/acre	38 bushels/acre
acreage seeded	25 million acres	14 million acres

That is not difficult, Madam Speaker. Those are just the actual figures. But the table continues:

(1) marketings ÷ 5-yr. av. yield: $\frac{500}{25}$ = 20 million acres; $\frac{250}{40}$ = 6.25 million acres

(2) inventory change ÷ 5-yr. av. yield: $\frac{25}{25}$ = 1 million acres; $\frac{25}{40}$ = .625 million acres

(3) Adjustment

$$\frac{\text{seeded acreage} \times (\text{5-yr. av. yield} - \text{actual yield})}{\text{5-year average yield}}$$

$$\frac{25 \times (25-27)}{25} - 2 \text{ mill. ac.} \quad \frac{14 \times (40-38)}{40} = .7 \text{ mill. ac.}$$

Marketing/Production Ratio

$$\frac{1 + 2 + 3 \text{ for each grain}}{\text{total of seeded acres}} =$$

$$\frac{20 + 1 - 2 + 6.25 + 6.25 + .7}{25 + 14} = \frac{.26.575}{39} = .6814$$

That is very simple, Madam Speaker. That is only the marketing production ratio, and the minister understands that.

It gets more complicated in Table II, however, which follows:

Table II—Calculations of Aggregate Stabilization Payment—Simplified Example—not actual figures

	Example
A. Marketing to Production Ratio (see Table 1)	$ .6814 (ratio)
(1) area gross expense	$ 1.5 billion
(2) area net expenses ($(1) × A) 1.5 × .6814	$ 1.0221 billion
(3) aggregate gross grain sale proceeds	$ 2.0 billion
(4) aggregate net grain sale proceeds [(3)−(2)] ($2.0−1.0221)	$ 0.9779 billion
(5) aggregate gross eligible grain sale proceeds	$ 1.8 billion
B. Ratio of $\frac{5}{3}$ $\frac{1.8}{2.0}$	.9 (ratio)
(6) aggregate gross participating eligible grain sale proceeds	$ 1.7 billion
C. Ratio of $\frac{6}{5}$ $\frac{1.7}{1.8}$	9.44 (ratio)
(7) net eligible grain sale proceeds [(4) × B] $0.9779 × .9	$ 0.88011 billion

That is "not complicated," Madam Speaker. We heard the hon. member for Assiniboia (Mr. Goodale) quoting the Minister of Justice who says it is not really complicated. I can go on.

Mr. Knowles (Winnipeg North Centre): Are these figures seasonally adjusted?

Mr. Peters: Not yet.

The Acting Speaker (Mrs. Morin): Order, please. Will the hon. member for Timiskaming allow a question?

Mr. Peters: Yes.

Mr. Goodale: The question is simple, Madam Speaker. In my remarks a few moments ago I did not say the program was not complicated, I said it was in fact complex. The question is whether that is sufficient reason in itself for not going ahead with the plan to assist the incomes of western grain producers. Is it complex enough to say "scrap the whole thing"?

Mr. Peters: Madam Speaker, I was not trying to indicate that the complexity would necessarily be against the plan,

but the hon. member for Assiniboia indicated that this was a simple solution for western Canada, and I must say I am pleased he can understand it.

Mr. Goodale: I said it was a good solution; I did not say it was simple. If it was simple even you could understand it.

Mr. Peters: The last plan was simple but it was not operative, and it was not acceptable. This one is so complicated that I do not know whether it is acceptable or not. I have read it, studied it, looked at all the figures, and it is very complicated. It is going to be very difficult to explain to the average farmer in western Canada how this works. He wants a simplified program. You will notice that the payment is to be made over the whole grain area of western Canada, including western Ontario and British Columbia. Maybe we should keep in mind what the farmer actually wants to accomplish.

The federation indicated that they were in favour of income stabilization, and I think they shocked me and a number of other members of parliament when they said so at their appearance before the agricultural committee on Bill C-50. They said that some provinces were going into the stabilization field and that they were particularly pleased with the British Columbia stabilization plan. One of the reasons they were so interested was that they were being asked to help develop and administer it. One of their objectives was a guaranteed price based on the cost of production during times of unfavourable market conditions. This bill does not offer that but it will create such complexity as farmers have never known.

Farmers in western Canada are familiar with regimentation. For years they have had permits, quotas, restrictions on grain delivered to the elevators, the time of delivery; initial and final payments have been set for them; there have been restrictions on how they can operate on their own land, or as a tenant on rented land.

● (2140)

Under this legislation a farmer's social insurance number will be fed into a computer and the calculation will be automatic. Farmers will be able to contribute a maximum of $500 on the basis of sales of $25,000. Do farmers wish to be regimented in this way? The hon. member for Assiniboia and the hon. member from Saskatoon should remember that if this program had been in effect, say, back, in 1971, there would have been no payouts in recent years. Certainly most areas would not have benefited from it. I say that because grain crops in western Canada seldom vary much.

There have been disasters of various kinds in western Canada, but most of those have stemmed, not from an inability to produce grain, but from ability to meet other conditions. There have been difficulties with delivery, with price, with markets and sometimes with the weather. But this bill does nothing about such things. What will happen if any one area suffers damage, say, from cutworm, or from other factors which reduce the grain crop? Farmers from one area may not be able to market any grain. Yet, because the Wheat Board may market large quantities of grain produced elsewhere, total revenues may be higher than normal and, because the program is based on the national average, the farmers in the afflicted area may not obtain compensation. Remember, farm organizations want stability of farm incomes so that farmers can stay in business.

This measure is complicated, and reminds me of the unemployment insurance structure. Farmers will be governed by a computer in much the same way as workers are governed by the unemployment insurance program computer. The machinery is inhuman and many farmers who ought to receive benefits will not.

Some hon. members have suggested that this program ought to apply on a regional basis, so that if one region suffers a disaster the farmers there can be compensated. Really, the government is not contemplating a program of income stabilization; it is concerned about stabilizing an industry.

I submit, also, that we should give serious consideration to including off-board grain in calculations. After all, many farmers have decided in the past to withhold grain from the Wheat Board and use it to produce livestock. Sometimes this has increased net farm returns. Generally, the availability of grain has been reflected in market prices and has affected other segments of agriculture. When grain prices are low one sees more red meat produced.

I suggest that grain consumed on vertically integrated feed lots may not have been included. On the other hand, if we include off-board grains under the stabilization bill, we shall subsidize the commodities exchange in Winnipeg as well as guarantee the floor to the farmer we intend to assist. Frankly, this problem admits of no easy solution; but then, there are no easy solutions in agriculture.

Although I am not offended by the minister's giving attention to the stabilization of farm income, I think the program ought to be the responsibility of the Minister of Agriculture. I do not think you can divorce the problem of grain from that of beef, livestock, milk, or of any other agricultural commodity. Each of these areas is deserving of attention.

Furthermore, it is no longer necessary to drum up political support for the program by using the sort of tactics used by Jimmy Gardiner. Anyone who is honest will concede that it is no longer necessary to sell political policies as he sold them. Today there is television. Today it is not necessary for politicians to knock on doors in western Canada and say, "Here is a little handout; in return, I want you to vote for Jimmy." This may have happened in years gone by, but I do not think it is necessary today.

In addition to looking at the stabilization of incomes, the minister should also consider the storage of western grain. I submit that we should be storing grain. I remember a story in the Old Testament. As I remember it, Pharaoh sent for Joseph and told him to interpret a strange dream; Pharaoh had seen seven fat cows, followed by seven lean cows, and wondered what the dream meant. Joseph interpreted the dream, saying it signified seven fat years, to be followed by seven lean years. I submit that we should be wise to consider that story. It is quite possible that lean years are ahead. We have spent much money developing markets for wheat; in the last 40 or 50 years we have built up our markets. We need to guarantee our

supplies of grain. Crops have failed in western Canada once or twice.

I understand that snowfall this past winter has been below average in many parts of western Canada. Perhaps we are at the beginning of a cycle of smaller crops. The Canadian government would be wise to look ahead. We should guarantee our supplies. After all, the Minister of Agriculture did pledge the countries attending the World Food Conference that we would provide a certain quantity of grain. It is very nice when he can say that. It is nice when the farmer has that grain on his farm or in his own elevator. However, if the cost of keeping the grain in the elevator becomes too much, and it is no longer to his advantage to have that grain on his farm, then we will not be able to meet that kind of commitment.

• (2150)

I got a real charge out of the callousness of the Minister of Agriculture when he said, "Produce all the wheat you can produce, seed all the acres that can be seeded." How does he know how much should be seeded? We really do not know. This is what the farmers are now asking. To be fair to the minister, we are only talking about four or five million acres, because we run very close to the maximum of our seeded acres in western Canada. It would not be good business practice for the farmer to take the stubble and use that for a double crop. If he does not pay some attention to conservation he will not have any good land left. The farmer learned that lesson the hard way.

When the program was introduced the Minister of Justice said the government would pay farmers to take their land out of production. There was absolutely no justification for that program. That stupid piece of advice probably cost the farmer hundreds of millions of dollars.

Wheat has become very important to this country. Many raw materials have also become important in the past five or six years. However, wheat is a renewable resource, one which we have become excellent at producing. We have good wheat and we have good markets. We should be providing a storage facility that will guarantee those markets against any kind of situation that may develop. It need not be a disaster in this country but one that may occur in any part of the world. We should be able to guarantee two full years of supply of wheat at any given time rather than the haphazard system we now have, where we are not sure what kind of wheat is in storage because much of it is stored by the individual farmer.

The farmer wants stability. It is foolish for the farmer to divide his production between grain and some other area of agriculture. If stabilization of income is good for one farmer, it should be good for all farmers. The only way that can legitimately be done is for the Minister of Agriculture to demand from the government that he get back control over that field. The whole industry must be stabilized. A farmer's income must be stabilized at a level that will cover all his costs of production.

Many years ago we recommended a guaranteed forward parity price for all agricultural commodities. This does not mean that you boost the prices of commodities. Before the farmer plants his crop, he is told how much the government is willing to take and at what price. If he can get more for it, that is fine. If not, he has that guarantee from the government. The amount will cover his costs of production; labour, interest on investment, some allowance for depreciation and wages. Surely nothing less than that is satisfactory today for our farmers whether they are in the maple syrup industry, grain, or any other field. We ask that the Department of Agriculture provide this stabilization for farming.

There is another factor that is not only important to Canadian consumers but to the world. We are in a position where we can greatly increase our production of almost any agricultural commodity. It is in everyone's interest that we provide two things, stability of income for those on the farm and an ability to go into farming for those who are not fortunate enough to inherit farms from their relatives.

We are negligent if we do not provide for another generation of agricultural producers. We have not given any real assistance. Any assistance that has been given has been by the provinces, and most has been detrimental. All across the country provincial governments encouraged young people to go into the cow-calf operation. The bottom fell out of the market and they were stuck with very large debts.

When we travel across the country to meet the farmers I hope the minister will be reasonably open-minded. The cabinet and members in the House are treating the hon. member for Assiniboia very poorly. I am sure that he has all the responsibility and does all the work connected with the wheat board. If we are not willing to have this back under agriculture, the hon. member should be appointed the secretary of state for the Wheat Board.

Mr. Reid: Minister of State.

Mr. Peters: That is an operation that demands some responsibility. I have always been shocked by the flippant way in which the Minister of Justice handles his responsibility for the Wheat Board. He does not know the difference between his responsibilities and those of the Minister of Transport (Mr. Marchand). He gets them confused. He has now reached the stage where I expect him to be making a housing proposition for farm women in western Canada. However, he does not give any attention to those areas that warrant it.

When the western Canadian farmers provide the agriculture committee with the information they require, I hope the government will be more flexible than last time. Mr. Douglas of Assiniboia might have lived a lot longer if the government had not been as unfair to him as it was in the requests it made of him, and the unreasonableness of some of those requests.

I suggest that a lot can be learned by travelling across the country to meet farmers. Stabilization could probably be a workable tool for western farmers if the government would adopt the attitude of allowing input from the farmers in a just and reasonable way instead of being dogmatic, as the Minister of Justice has been with every bill he has introduced.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Ten o'clock.

Adjournment Debate

The Acting Speaker (Mrs. Morin): The hon. member for Carleton-Charlotte (Mr. McCain).

Mr. McCain: Madam Speaker, I presume you will want to call it ten o'clock at this time.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INDIAN AFFAIRS—ALLEGED FAILURE OF MINISTER TO DEAL WITH GRIEVANCES OF TREATY SEVEN CHIEFS—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): On April 15, as reported at page 4813 of *Hansard*, as one of a series of questions addressed to the Minister of Indian Affairs and Northern Development (Mr. Buchanan), I asked why the minister had not responded to a single major suggestion or request put forward by the Treaty 7 Chiefs of Bands and whether he intended to continue to ignore their legitimate grievances and concerns, or go back and deal with them directly.

The minister responded:

Mr. Speaker, the statement is absolutely incorrect.

On November 28, 1974, treaty Indians from throughout Southern Alberta occupied the offices in Calgary of the Department of Indian Affairs and Northern Development. They did so to protest inadequate services provided to Indians living in the City of Calgary. It was done as an act of frustration after everything else had failed. The Government of Canada had pulled back on a major commitment to assist the urban Indians of Calgary to begin to develop programs which would help them meet the special and peculiar problems of native Canadians living in a modern metropolitan centre. A commitment had been made to help them, but the government turned its back on its own commitment.

Out of frustration, the occupation took place. This led to the Minister of Indian Affairs laying criminal charges against two of the native people involved. Unfortunately the question of the laying of criminal charges became the focus of attention arising out of the incident, and it has taken attention away from what are the major issues—first, the bad relations between the Indian people and the public servants who are in Alberta to try to serve them; second, growing evidence that economic development and social assistance programs for status Indian are not working and need improvement.

Finally, and most important, is the fact that urban Indians, treaty Indians living in cities, now find themselves in limbo without either the provincial or the federal government assuming responsibility for helping them meet the special difficulties of adjustment they must solve.

[The Acting Speaker (Mrs. Morin).]

After the charges were laid several respected chiefs of tribes in the Treaty 7 region submitted detailed proposals to the Minister of Indian Affairs asking for a change in various programs and in certain personnel. They sought a meeting with the minister. On April 7 the minister replied by meeting with the Treaty 7 chiefs, buying them a steak dinner in a hotel in Banff and, as the meeting ended, by handing them sealed envelopes which contained his response to their recent proposals. There are hardly words to describe the disappointment which was felt when the chiefs opened those envelopes and found that the minister had declined to respond to the suggestions they had made. I would like to quote from a respected spokesman for the Blackfoot Band, Chief Leo Pretty Young Man, who said:

We are dismayed by the lack of thought and interest displayed in the minister's return to us. We raised new concepts and ideas—We got back a letter which describes present programs and refers us to existing staff. It wasn't much of an answer.

Chief John Snow, respected chief of the Stoneys, called the minister's response, and I quote: "irrelevant, meaningless and unbelievable," adding, "Our problems began with the district office and now the minister has referred us back to them."

This indicates the severity of the problem which exists in Alberta with regard to Treaty 7 Indians both on the reserves and in the city centres. The minister's response to my question indicates that either he does not appreciate the seriousness of the problem or else he refuses to respond to it.

The question of treaty Indians living in urban areas is a major and menacing new social problem for Western Canada. It affects all the major cities of the prairies. The incident discussed here happened to occur in Calgary, but it could have occurred in Edmonton, Regina, Saskatoon, or Winnipeg. It is complicated by the fact that no government, federal, provincial, or local, has addressed itself to the problem. No government in Canada has a right to feel proud of its response to the new and menacing situation of treaty Indians trying to live in urban areas.

What makes the problem more dangerous is that a climate of hostility toward our native Indians is developing across the country. It has not become large scale yet, but it is developing. We have militancy among our native people in response. It is not enough, in face of this problem, simply to lay criminal charges and deny that the problem exists. There has been—I will admit this to the minister and his representative—some very good work done on economic development and other things, but most of this has been done in-house without the involvement of the people most directly affected.

What is most critical, and what I wish to draw to the attention of the House of Commons tonight, is the fact that no attention is being given to the serious and growing problems created by the movement of more and more status Indians into urban areas that they are not equipped to live in, and which are not equipped to respond to them. This is a social problem of already serious proportions, with a capacity to grow. It is a problem that is occurring not in any one province or region but all across Canada.

What is required is a national response, and I raise this matter tonight to ask the representatives of the Government of Canada when they are going to start realizing the

very serious and menacing problem that is being posed by the growing movement of treaty Indians into urban centres that are not equipped to receive them.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, we were treated tonight to the eloquence of my good friend from Rocky Mountain for the second time. I appreciate very much the points he made in his reference back to his question to the Minister of Indian Affairs some time earlier last month.

I can well appreciate the hon. member's concern. I think he also indicated that he appreciates the difficulties faced by the minister and the government, no matter who the minister is or which government it may be, in dealing with the very legitimate grievances of the Indian people in this twentieth century. We must remember that the problems of the Indians today were not foreseen, and could not have been foreseen, at the time the treaties were written a century or more ago.

The question of who is responsible for band Indians who leave the band and go to the cities has been with us for the last decade to a much greater extent than ever before. I am sure the situation in Alberta is not much different from that in Saskatchewan. Through the years I have had something to do on the provincial side with finding solutions to this situation. It is regrettable that to some extent a federal-provincial jurisdictional squabble has arisen from time to time. Here again some of the representatives of the Indian people have themselves generated some of the difficulties, and this does not help resolve the situation.

In a brief sentence or two, may I support the present minister. He has been in my riding and is doing his level best to deal in a calm and rational manner with these problems. I am advised by departmental staff that in the particular situation referred to by the hon. member the minister's responses to the Treaty 7 Indians bands were, to the best of my knowledge, fair, direct and very positive ones.

I might add that the preparation of the various responses to some 20 briefs was done within a period of a month or so by officials in the minister's department as well as by himself, and a great deal of serious consideration was given to these briefs at the band meetings.

Motion agreed to and the House adjourned at 10.11 p.m.

HOUSE OF COMMONS

Friday, May 2, 1975

The House met at 11 a.m.

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL SECURITY

ALLEGED DELAY OF FEDERAL-PROVINCIAL CONFERENCE AND HIRING OF CONSULTANTS TO DETERMINE COST OF PROGRAMS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to put a question to the Minister of National Health and Welfare.

Would one be right in stating that the federal-provincial conference on welfare had to be postponed to prevent the collapse of his welfare policy review program?

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. Stanfield: Is it true that even after the six meetings the minister had with his counterparts on the review and all the preparations, a proposal was made to them to retain the professional services of a group of consultants whose task would be to assess the cost in each province of the new programs proposed by the federal government? The purpose of the study would also be to determine to what extent the government is better able to supervise those new programs and many other elementary matters.

Mr. Lalonde: No, Mr. Speaker.

[*English*]

Mr. Stanfield: Mr. Speaker, will the Minister of National Health and Welfare make a statement on motions at his earliest convenience to inform the House precisely where matters stand? I ask this in view of reports coming out about the difficulty the minister is having and in view of the vast importance of this whole question to not only the taxpayers of Canada, but the people of Canada who may need to benefit from this program.

[*Translation*]

Mr. Lalonde: No, Mr. Speaker, but I shall be pleased to table the communiqué of the conference as soon as I can.

[*English*]

GUARANTEED ANNUAL INCOME—REASON FOR NEED FOR CONTINUING STUDY OF SUBJECT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. After some six conferences over the past two years costing some $2 million to $3 million, why did this week's conference have to instruct officials to get back to work on some concrete proposals?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would not want to accept as accurate the figures mentioned by the hon. member. As for the second part of his question, we have agreed at each level of government that the work performed on the general formula for the guaranteed income supplement discussed at the last conferences did meet the objectives of all government levels; we agreed to proceed immediately within that general framework. We have thus agreed to examine specific proposals concerning the cost of the proposed program, especially the kind of recipients covered by such a plan and various other technical questions which we will be in a position to consider at least partly at the next conference to be held, I hope, in September.

● (1110)

[*English*]

GUARANTEED ANNUAL INCOME—AREAS IN WHICH NO AGREEMENT IN CABINET—POSSIBLE USE OF OUTSIDE CONSULTANT

Mr. Lincoln M. Alexander (Hamilton West): A supplementary, Mr. Speaker. It appears to me there is no agreement as to cost, no agreement concerning the administration of the program, no agreement with respect to income, no agreement with respect to an appropriate time period, no agreement with respect to taxation, and no agreement with respect to what constitutes a family unit. Has the minister been able to reach an agreed position with his own colleagues on these specific matters and, if so, have proposals been submitted to his provincial counterparts?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, officials from both government levels have been working on various hypotheses in the past two years, especially over the last six months; numerous alternatives have been considered by them. Efforts now remain to be made with a view to agreeing on a specific proposition or a very limited number of alternatives in respect of which the ministers could make much more final and specific decisions than those arrived at so far. That is the normal evolution of the reviewing process. This corresponds to the approach to the situation that we had proposed two years ago, and we are still within scope of the objectives we had set in the working paper submitted in the House two years ago. I have no reason to believe that we are not meeting all the objectives we had laid down when the paper was submitted in the House two years ago, and I sincerely hope that the programs whose implementation we had proposed within a certain time schedule mentioned in the working paper will be ready on time. I must also inform the hon. member that yesterday

we reached complete agreement with all provinces concerning an extremely important aspect in the review of social security, and more specifically social services. This represents a major step forward in the social security review.

[*English*]

Mr. Alexander: It is certainly amazing that after two years work the minister has not been able to arrive at an agreement with his colleagues with respect to the matters to which I have just referred. Is the minister now telling us that after 600 studies—and if he believes it or not, these are the figures I throw out—and after spending $2 million, the orange paper is a bust and that the situation now requires an outside consultant to come and advise the minister what to do?

[*Translation*]

Mr. Lalonde: Mr. Speaker, the answer is negative, as negative as can be. Furthermore, I shall send to the hon. member a copy of the communiqué of our conference which will prove, once again, to what extent the hon. member is ill-informed.

* * *

[*English*]

THE CANADIAN ECONOMY

INFLATION—POSSIBLE INDICATION OF GOVERNMENT'S INTENTION TO REDUCE UNEMPLOYMENT BY FIXED AMOUNT IN ATTEMPT TO REACH CONSENSUS ON RESTRAINT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Acting Prime Minister. Since Mr. André Raynauld, the Chairman of the Economic Council of Canada, yesterday forecast, before Senate Committee increasing levels of unemployment during the coming year, I should like to ask the Acting Prime Minister whether in the government's consensus-building discussions with business, labour and other groups he and his colleagues have indicated any intention to reduce levels of unemployment by certain fixed percentage points, say by 2 per cent per year for the next two years, in the same way as they have proposed specific targets for the reduction of levels of inflation?

Hon. Mitchell Sharp (Acting Prime Minister): One of the main purposes of the exercise which is now proceeding to obtain a consensus is so to create stability in the Canadian economy that levels of unemployment are reduced.

Mr. Broadbent: Mr. Speaker, I have a supplementary question for the Acting Prime Minister. Since the government has, I understand, set not general targets but specific targets for the reduction in the level of inflation, would the minister explain to the House why, in light of the Minister of Finance's claims recently that we are experiencing inflation because of increasing labour costs—that is a view I do not share, but that is his assessment—the government does not think it appropriate to indicate specific targets for a reduction in the level of unemployment?

[Mr. Lalonde.]

Mr. Sharp: Mr. Speaker, I must repeat what I said before. It is the view of the government, and particularly of the Minister of Finance, that a continuation of the recent rate of inflation would jeopardize employment opportunities in this country. I do hope we have his support for that point of view.

INFLATION—POSSIBLE STUDY OF EFFECT OF INCREASE IN PRICE OF NATURAL GAS ON EMPLOYMENT AND EXPORTS

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question for the Minister of Industry, Trade and Commerce. Since the recent decision of the Alberta arbitration board on gas pricing will lead to a doubling of the field price of natural gas and will have a major effect nationally, and particularly in Ontario both on consumers and industry, increasing the cost, for example, over-all of the product by some $920 million, has the minister's department, concerned as it is directly with employment and exports, made an assessment of the impact of this kind of increase in the price of gas upon the industrial community of Canada, particularly in terms of its effect on employment?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have not completed an assessment of that impact and I can assure the hon. member that it is the kind of thing we are looking at very closely. We are concerned about its impact on particular parts of the country, on particular industries and on the potential for particular industries.

* * *

[*Translation*]

PUBLIC WORKS

DATE OF ANNOUNCEMENT OF NEW POLICY FOR CONSTRUCTION OF RETAINING WALLS ALONG ST. LAWRENCE

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Public Works.

The minister will doubtless remember that some two months ago he told the House that his department was looking into the possibility of changing the regulations with a view to erecting retaining walls along the St. Lawrence river to protect its banks from the effect of navigation and erosion. Having made this commitment, is he now in a position to announce a new policy on the building of those retaining walls which protect riverside properties?

Hon. C. M. Drury (Minister of Public Works): No, Mr. Speaker, I am not in a position to make any statements, at this time, on retaining walls.

Mr. Fortin: Mr. Speaker, I have a supplementary question.

Can the minister advise the House whether he will make public a new policy, since riparian owners are seriously threatened in early spring; even landslides are occurring in Deschaillons, Napierville, Lotbinière and St. Antoine de Tilly. The department is always late sending

its inspectors. Can he assure the House that necessary steps will be taken to protect these landowners?

Mr. Drury: Because of the rainfall and the resulting erosion, I must advise the hon. member that this is not a federal responsibility. The federal government is mainly concerned with the effects of navigation on erosion. Although we are looking for solutions, the cause he is talking about does not exist at this time.

Mr. Fortin: Mr. Speaker, I want to ask a final supplementary question.

If the minister wanted to go into politics, he would certainly have an excellent future, for he is very good at evading the issue. He knows what I mean. The rainfalls did aggravate the situation, but that does not settle the matter of the erosion caused by navigation, since ships have a much larger tonnage now and their speed is not the same as when the regulations were passed. I shall ask the minister when those regulations will be changed as regards the prescribed distance of 3,000 feet from the shore, a question he refuses to answer now. So I ask him again. Will he change these regulations, in order to take into consideration the tonnage and speed of ships, and to protect the property on both shores of the St. Lawrence River?

Mr. Drury: Mr. Speaker, I accept what the hon. member said. We are reviewing the regulations as rapidly as possible.

AVAILABILITY OF FUNDS FOR CONSTRUCTION OF RETAINING WALLS

Mr. Bernard Loiselle (Chambly): A supplementary, Mr. Speaker.

Can the minister assure us that his department has the necessary funds to build the walls required under current standards? I shall not criticize the fact that these standards have been increased, such as the 3,000-foot limit, but I would like to know if the walls which are to be erected where the shores are less than 3,000 feet from the channel will indeed be built.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, some credits have been approved by Parliament, but unfortunately all the funds required for this purpose, this year, were not allocated.

* * *

● (1120)

[*English*]

EXTERNAL AFFAIRS

SUGGESTION UNITED STATES REQUESTED EXPULSION OF PRESS ATTACHÉ OF PEOPLE'S REPUBLIC OF CHINA—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would direct a question to the Secretary of State for External Affairs which has to do with an attaché in the Chinese embassy who was expelled by our country. This matter was before the House on April 29 at which time the minister indicated that because of the possibility of relations with mainland China being exacerbated as a result of any revelations he would not go into detail. I now ask whether he has had brought to his attention a broadcast last night over the CBC in connection with this matter in which the CBC reported that this man was expelled from Canada at the request of the United States administration because he was engaged in activities detrimental to the United States. Now that this statement has been made by the CBC in its news, and whatever criticism there may be of the CBC there has never been criticism of the factuality or objectivity of its news items—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —is the minister prepared to go further than he went the other day before these revelations were made?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I certainly congratulate the right hon. member for his sense of humour. I certainly appreciate it in this context. I am afraid I cannot go much further than I did the other day, even as a result of further speculative reports by the CBC. I will say, however, that the action taken by the government of Canada was not taken at the request of any other government.

Mr. Diefenbaker: Could the minister not go a little further as there apparently is no danger to security in what was done. Surely there is no reason that this should be covered up in this way, otherwise it would appear that the government has the sense of humour in evidently trying to keep from parliament that which has become public knowledge?

Mr. MacEachen: Mr. Speaker, I have stated that the particular member of the embassy was asked to withdraw because of activities which were considered to be incompatible with his status as a representative in Canada. I believe I am obliged to deal with the matter in a way that will maintain the good relationship between Canada and China and I think further disclosure of details would certainly not be in the public interest.

EXPULSION OF PRESS ATTACHÉ OF PEOPLE'S REPUBLIC OF CHINA—METHOD BY WHICH ACTIVITIES CAME TO KNOWLEDGE OF GOVERNMENT

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a supplementary question, Mr. Speaker. I gave the minister's office notice that I would pursue this today so I hope the minister can be a little more forthcoming than he was to the right hon. member for Prince Albert. How did the matter first come to the attention of the government of Canada and under whose auspices? Who first informed the Government of Canada that the actions of the Chinese diplomat were incompatible with his status here?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, that conclusion was reached by the Canadian Government—

An hon. Member: That is not the question.

Mr. MacEachen: —and not at the request of any other government.

Mr. Fairweather: Mr. Speaker, did the process result from osmosis or did somebody initiate some warning? Surely, candour would assist the government in its relationship with the People's Republic of China rather than a cover-up.

Mr. Speaker: Order, please. The hon. member for South Shore.

LAW OF THE SEA CONFERENCE—GOVERNMENT PROPOSALS AND ATTITUDE TOWARDS SHARING REVENUE FROM OFFSHORE RESOURCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I understand that the Secretary of State for External Affairs will shortly be going to the Law of the Sea Conference in Geneva and we on this side of the House wish him every success in his efforts.

Some hon. Members: Hear, hear!

Mr. Crouse: Since the legal regime and the international machinery that would be required for the national management of offshore resources could affect the thinking of people and governments on the whole problem of utilizing increasingly scarce international resources, has the minister discussed revenue sharing with the Minister of National Revenue and will he be taking new proposals to Geneva regarding the establishment of revenue sharing.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the question of so-called revenue sharing will be discussed at the conference. Our delegation has been authorized by the Government of Canada to explore the possibility of a system of revenue sharing under certain conditions, one of which is that the sovereignty to the end of the continental margin would not in any way be jeopardized but that Canada would be prepared to consider the possibility of revenue sharing under specific conditions.

Mr. Speaker: One supplementary by the hon. member for South Shore.

Mr. Crouse: Mr. Speaker, will proposals of revenue sharing of income from resources be confined to resources outside the 200-mile economic zone or is this to be within the 200-mile economic zone as well, and will the minister be going to Geneva authorized by the government to make firm, specific proposals to the conference with regard to this very thorny problem which is very important to many of the conference delegates.

Mr. MacEachen: Certainly, the proposals will not cover any area within the 200-mile economic zone. That is not part of the suggestion. I will be authorized, as the delegation is authorized, to explore the concept of revenue sharing within certain conditions, one of which I have already mentioned. The purpose, of course, is to attempt an accommodation at the conference as the hon. member realizes with regard to the difference of opinion between countries like Canada and other countries on the question of the area beyond the 200 miles. It may be that some accommodation can be reached through exploring the concept of revenue sharing. This is what the delegation and I will be attempting to do.

● (1130)

LAW OF THE SEA CONFERENCE—AUTHORITY OF MINISTER TO COMMIT CANADA TO PROPOSALS ON SHARING REVENUE FROM OFFSHORE RESOURCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a supplementary question for the Secretary of State for External Affairs. In view of the very crucial nature of the final week or so of this conference if the Government of Canada is to achieve the objective it is seeking of recognition of Canadian interests as far out as the edge of the continental slope and the 200 mile limit, and in view of the possible necessity of Canada making some kind of proposal with regard to revenue sharing to get some agreement with other countries with regard to that, is the minister authorized by the cabinet to make a proposal or to commit Canada to a proposal on revenue sharing in that zone beyond the 200 mile limit when he goes to Geneva or is he simply authorized to discuss, listen and report back?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, at the present time the Canadian delegation has not been authorized to engage in discussions with respect to revenue sharing. It is a changed position for the Government of Canada to agree at this point, in the interests of over-all settlement, to undertake the exploration of revenue sharing, which implies in principle that the Canadian government will accept that concept under certain conditions. The Government of Canada has not authorized the details of specific offers. That would have to be considered by the cabinet in light of further discussions at Geneva.

LAW OF THE SEA CONFERENCE—POSSIBILITY OF PROPOSAL THAT NATIONS CUT FISHING QUOTAS BY 40 PER CENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. In view of the fact that the Minister of State (Fisheries) made a request to other nations to cut their quotas by 40 per cent, when the Secretary of State for External Affairs visits Geneva will he be furthering those overtures and has he a definite policy to propose?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker I must confess that I am not informed about that proposal of the Minister of State (Fisheries). If it is a matter that involves ICNAF, then it would really have to be dealt with apart from the Law of the Sea Conference.

LAW OF THE SEA CONFERENCE—POSSIBILITY OF BILATERAL AGREEMENTS ON SHARING REVENUE FROM OFFSHORE RESOURCES IF CONFERENCE FAILS

Mr. James A. McGrath (St. John's East): My supplementary question is for the Minister of State for External Affairs, Mr. Speaker. May I ask the minister if his pro-

posals for revenue sharing, in addition to being presented to the conference as a whole, will also mean that Canada is prepared to take advantage of the presence in Geneva of countries that have historic and traditional fishing rights off Canada's east coast and will he meet on a bilateral or multilateral basis with those countries to form the basis of what could be a revenue sharing agreement in the absence or breakdown of agreement at Geneva?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the Canadian delegation will be exploring this concept with other delegations. There is a particular working group, as I understand it, that will be dealing with questions of the continental margin and revenue sharing. It is presumably within this particular group that the major discussions will take place. Naturally, when I go to Geneva I expect to hold bilateral discussions with other countries as well as engaging in multilateral discussions.

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ENERGY

NATURAL GAS—AMOUNT OF PRICE INCREASE MINISTER INTENDS TO PERMIT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. At page 5329 of *Hansard* for last Wednesday the minister said he would use his best efforts to see that the price for Alberta gas moving out of the province was kept well below the $1.15 per thousand cubic feet which was just given in an arbitration award. The press now reports the minister as saying that he has in mind to raise the well head price from 45 cents per thousand cubic feet to 70 cents or 80 cents per thousand cubic feet. I should like to ask the minister if he intends to have this price range in mind when negotiating with the Alberta government, and can he give the House an assurance that this is the price range that will obtain either as a result of negotiations or of exercising the power he will have when the Petroleum Administration Act is given Royal Assent?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if I could correct one element, the current prices vary in range. Some contracts are as high as 60 cents per thousand cubic feet, so we are talking about a range of prices. I do not think it would be desirable at this point, when I am hoping to negotiate with the producing provinces on this question, to set out figures in advance that would be targets—

Mr. Horner: Do you still believe in fair market value?

Mr. Macdonald (Rosedale): I still believe it is useful to have a discussion with the provinces and not in effect to lock in that discussion in advance by setting a specific price. I think the hon. member for Crowfoot would agree with me on that.

NATURAL GAS—DATE OF ANNOUNCEMENT OF EXPORT AND DOMESTIC PRICES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact that the minister has already named a price to the press, I cannot see why he would not name a price to the House of Commons.

Mr. Knowles (Winnipeg North Centre): That is par for the course.

Mr. Macdonald (Rosedale): Read the story again.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister was going to make a statement some time ago regarding the export price of natural gas and this was delayed because of the visit of American officials who were requesting that the price increase be phased in. I want to ask the minister now how soon he will be able to make a statement regarding the export price. Does he hope to be able to make a statement regarding the domestic price at the same time and on what date does he anticipate making a statement with respect to the two price ranges?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member should distinguish between an informed press speculation and what I may have said. I think it would be desirable not to set a price in advance and I refused to do so. With regard to the export price, I hope to be able to make an announcement on Monday. This is not related in any sense to the domestic price, of course. I expect the decision on the domestic price will take place after full discussion with provincial governments and an announcement certainly will not be made next week.

NATURAL GAS—REFERENCE TO STATEMENT ON PRICE ATTRIBUTED TO MINISTER IN "GLOBE AND MAIL"

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary, Mr. Speaker. The statement contained in the *Globe and Mail* of May 1 reads:

> In an interview, Mr. Macdonald said he thinks an increase to a well head price of 70 cents or 80 cents—

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

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I will ask the minister if such an interview took place. If so, this could hardly be described as a speculative story.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Such an interview took place, Mr. Speaker, but I would say that the report does not do justice to what I said.

NATURAL GAS—DATE ON WHICH STAGING OF PRICE INCREASE BEGINS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources following the line of questioning raised by the

hon. member for Nanaimo-Cowichan-The Islands. Since the province of Alberta has said it is willing to stage increases in natural gas prices, if an arbitration award of $1.15 is to come into effect on November 1, has the minister been able to ascertain from the government of Alberta whether it is thinking of staging that arbitration price after November 1 or before?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in general terms the discussions have been with regard to a price change effective November 1 and it is for a staged increase some years thereafter rather than between now and then.

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HOUSING

REQUEST FOR OUTLINE OF CONTINGENCY PLAN

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, a question for the Minister of State for Urban Affairs. I should like to direct his attention to the contingency plan he intends to present to cabinet. Having allowed four months to pass before recognizing the need for such a move to combat the housing crisis, can the minister now inform the House when this contingency plan will be presented to cabinet, how long he anticipates it will take to gain approval and when we can expect government action to deal with this critical situation?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, there is no dramatic contingency plan.

An hon. Member: That is for sure.

Mr. Danson: This is a process to which I committed myself with the provincial housing ministers at the conference in January. Our own programs, which were instituted by my predecessor, are going extremely well. Regrettably, those which are in provincial hands are not moving as quickly as I would like, so we have to find ways to get them moving faster.

● (1140)

POSSIBILITY OF NUMBER OF STARTS THIS YEAR REACHING 230,000

Miss Flora MacDonald (Kingston and the Islands): I was hoping the minister would report as to how successful he had been in persuading his cabinet colleagues of the need for action. In light of the minister's statement in his speech yesterday that he remains optimistic that the number of housing starts this year will meet the demands of new households, and in view of the fact—

Some hon. Members: Question.

Mr. Speaker: On a supplementary would the hon. member be good enough to put the question.

Miss MacDonald (Kingston and the Islands): Since CMHC has predicted that 230,000 new households will be formed, I am wondering if the minister is now optimistically predicting that there will be 230,000 new housing starts this year. Can he relate these two statements emanating from his department?

[Mr. Gillies.]

Hon. Barney Danson (Minister of State for Urban Affairs): I do not have to convince my colleagues of the importance of housing in our society. They are deeply committed to that and have shown it in many ways. With reference to the other question, I think it will be a very difficult year in which to reach the target of 210,000 starts—

Miss MacDonald (Kingston and the Islands): 230,000.

Mr. Danson: —but I am convinced it can be done. With reference to the 230,000 figure, there are family non-formations as well. I am not familiar with the two statistics. My information, resulting from studies I have done, indicates that 210,000 starts meets family formations, less those family formations that do not take place.

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CRIMINAL CODE

ALLEGED STATEMENT MINISTER WOULD RESIGN IF CAPITAL PUNISHMENT REINSTATED

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Solicitor General. Can the minister advise the House whether he has ever made a statement that he would resign if capital punishment were reinstated or whether he would have to consider resigning if capital punishment were reinstated?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, when I met privately with the leaders of the Atlantic police associations on Monday in Moncton, I was asked certain questions about what parliament might do in this regard, and I said privately to some of those policemen that I could not be associated in any way with an execution, with capital punishment.

Some hon. Members: Hear, hear.

Mr. Allmand: After that meeting one of the policemen from the meeting, in answering questions to the press, repeated what I had said and I was asked later to confirm this by the press. In fact, I did state publicly something to that effect to the press, but it was not put in the terms reported in the press. It was not a threat; it was just a statement of my position.

REQUEST FOR DEBATE ON ABOLITION OF CAPITAL PUNISHMENT

Mr. John Reynolds (Burnaby-Richmond-Delta): In view of the minister's personal viewpoint on this subject, would he consider bringing back a debate to this House to abolish capital punishment entirely, so that the country will know what the law will be and so that the minister and the cabinet will not have to worry about the problem in the very serious decisions they will have to make in the next two or three months?

Hon. Warren Allmand (Solicitor General): That is under consideration. As the hon. member knows, the present law will expire in 1977, and this parliament will have to deal with the issue by then, so we will have to make a decision as to when such a bill or such a debate will take place.

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TRANSPORT

CROWSNEST PASS RATES—REQUEST FOR ASSURANCE NO CHANGE

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the Acting Prime Minister. There have been very vague statements made by the Minister of Transport in which he said that there will not be any change in the Crowsnest Pass rate for 1975, but that he would not commit himself after that time. The minister responsible for the Wheat Board made statements in which he said that the "Crow" rate will remain as long as farmers want it. In view of these statements and other statements circulated by various levels of government and farm organizations, I would like to ask the Acting Prime Minister if he is prepared to give the government's unqualified commitment to the effect that the Crowsnest Pass rate will remain in force.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would want to see whether there is such a conflict as suggested by the hon. member. Certainly, we have no legislation in contemplation which would change the situation.

FREIGHT RATES—REQUEST FOR REPORT ON MINISTER'S INTERVENTION TO PREVENT INCREASES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I will also direct my question to the Acting Prime Minister on the subject of freight rates. Last Tuesday the Minister of Transport said, in reply to my question about across-the-board increases in class freight rates effective next Monday, that he would get in touch with both railways that same day or the next day to see if what he said in Calgary was carried out. I would like to ask the Acting Prime Minister whether the minister did in fact get in touch with both railroads, whether the cabinet is aware of what response the railroads made and whether the railroads will see to it that what the minister said in Calgary is carried out in regard to across-the-board freight rate increases.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of Transport has not yet reported to his colleagues on the discussions he has had. I will inquire of him. It might be appropriate, however, that he report to the cabinet before any announcement in the House.

EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—REQUEST FOR REPORT ON POSSIBILITY OF AGREEMENT ON OBJECTIVES

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I wish to direct a question to the Minister of National Revenue, but first I would like to welcome him home after attending the Law of the Sea conference in Geneva.

Due to the vital interest of many Canadians in the Law of the Sea conference, can the minister advise the House whether in his opinion there will be any draft articles approved by the conference, and if not would the minister comment on whether he sees any appreciable progress toward achieving a consensus on establishing an international law for the world's oceans and seas?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, one of the reports I received in Geneva concerned the very substantial work the hon. member for Comox-Alberni had performed as a member of the delegation.

Some hon. Members: Oh, oh!

Mr. Basford: It is really too early to answer the hon. member's question in any definitive form. The Canadian delegation has been pressing and working very hard for the Canadian position at the conference. My colleague the Secretary of State for External Affairs will be present at the conference next week, and he will be able to report definitively at the time of the conclusion of the conference on how successful we have been.

* * *

HEALTH

POSSIBILITY OF FEDERAL-PROVINCIAL AGREEMENT ON INTERMEDIATE HEALTH CARE

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is supplementary to a number of questions directed to the Minister of National Health and Welfare earlier. Could the minister inform the House whether the conference of first ministers of health and welfare of the provinces addressed itself to the dilemma of the ever increasing cost of delivery and maintenance of acute hospital beds and other hospital services, and in light of that, has it been possible for the conference to reach a consensus on the need for a cost sharing program in the field of intermediate health care?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, again at the last conference of health ministers, I sent a copy of the press release to all hon. members and this has been fully reported by the press. The two levels of government agreed to make an intensive review of the various services as they exist now, to provide citizens with health services at a lower cost than the one imposed by institutions such as hospitals, which are certainly very expensive. Meetings of federal and provincial officials already took place during the last weeks, and a report is to be submitted for consideration of ministers next fall.

[*English*]

Mr. Oberle: Since it has been the objective of the federal government for the last three years to enter into such a program, has the minister now proposed to the provincial ministers a program which would be less rigid and more conducive to the real need within the provinces so that the provinces could make use of it?

[*Translation*]

Mr. Lalonde: That is what we are doing now, Mr. Speaker, but, of course, we remain within the provisions of legislation adopted by Parliament in that field in the last years.

* * *

● (1150)

[*English*]

HOUSING

NUMBER OF APPLICATIONS FOR LIMITED DIVIDEND PROJECTS—SUGGESTED EXTENSION OF PROGRAM

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct my question to the Minister of State for Urban Affairs? Will the minister inform the House how many applications were received for limited dividend housing, a program which I understand closed on April 30, and if he is satisfied with the number?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have some preliminary figures. There have been 246 proposals for projects from across the country, for a total of 22,623 units involving $540 million. The call was for $200 million. The over-all cost of the units is between $20,000 and $25,000. These will have to be assessed as to value. From all indications, it looks as if we received proposals for more than double the number of units we called for. This is encouraging and it can be done, hopefully, under the new legislation, with private lenders. I am delighted with the size of this response. I am interested in seeing the breakdown by region and by city, to make certain that all parts of Canada participate.

Mr. Darling: A supplementary question, Mr. Speaker. I wonder, because of the great need for housing, if the minister would not consider re-opening the program and allowing additional proposals, which will provide much needed housing for the country.

Mr. Danson: Yes, Mr. Speaker, I will certainly do that and use the recent legislation which allows private lenders to put up the money, which we will subsidize, so that more low-cost rental units can be built.

* * *

REGIONAL ECONOMIC EXPANSION

METROPOLITAN AREA GROWTH INVESTMENTS, NOVA SCOTIA—INQUIRY WHETHER CORPORATION ACTIVE AND EXECUTIVE POSITIONS FILLED

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. I should like to ask the hon. gentleman if there has been any recent development in the long saga of Metropolitan Area Growth Investments Limited in Nova Scotia, whether this $20 million experimental corporation has become active after a three-year gestation period, and whether all executive positions are now filled and the company is ready to report progress?

[Mr. Lalonde.]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, considerable progress has been made. I believe I advised the hon. member that the nominees of both the provincial and federal governments have actually been appointed. The present situation is that a federal and a provincial nominee are active as interim co-chairmen until such time as a recommendation goes forward with regard to a permanent chief executive officer. In the meantime, there is quite a bit of work being done. I was talking to the Minister of Finance of Nova Scotia recently and he is satisfied that the plan is moving ahead at a reasonable pace after, regrettably, a number of unfortunate delays.

Mr. MacKay: A supplementary question, Mr. Speaker. For the record, is the minister saying that the company is actually in operation now and that projects are under way?

Mr. Jamieson: Mr. Speaker, I would not want to be that specific without obtaining further information. My impression is that it is not, in terms of projects, other than looking at them in a general way. The primary aim at the moment is to get a chief executive officer. As I said, this is proving somewhat difficult.

* * *

SOCIAL SECURITY

POSSIBILITY OF LEGISLATION RESULTING FROM AGREEMENT WITH PROVINCES—POSITION OF MINISTER OF FINANCE ON GUARANTEED ANNUAL INCOME

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a couple of questions to the Minister of National Health and Welfare, with further reference to the conference of the last couple of days? The minister having indicated that there was agreement on one matter, the extension of certain services, will there be early legislation on that matter? While I am on my feet may I ask the minister if, with respect to the continued consideration of the guaranteed annual income, he is in a position to report to his provincial counterparts that he has the backing of the federal Minister of Finance?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, the legislative program of the House is extremely heavy, and I cannot anticipate the possibility of introducing a new bill in this area before the next session. We have discussed this matter with my provincial colleagues and they agree on this.

Moreover, I can assure my hon. colleague that the whole Cabinet is at one about the major priority to give social security and I think the government action during the last

few years stands as clear evidence before the whole population.

[*English*]

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the minister's reference to the heavy order paper, I wonder if he has looked at it recently and seen how light it is, and does he know that there is only one item on it in his name?

[*Translation*]

Mr. Lalonde: Mr. Speaker, it is not a question of knowing how many items are on the order paper in my name, but of thinking about the legislative program which the government has tabled in the House.

* * *

[*English*]

POST OFFICE

ALLEGED LACK OF AUTHORITY FOR SALE OF NON-POSTAL ITEMS—GOVERNMENT POSITION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the Postmaster General. Since the Auditor General has again criticized the Post Office for selling non-postal items to the public without parliamentary authority, a practice which continues today, will the minister tell the House why this program was entered into without proper authorization and why suitable accounts had not been established to determine whether or not the program was profitable?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, a better authority on the subject is the deputy minister, who has appeared before the miscellaneous estimates committee to explain precisely the reasons for this. I assume the minutes are available. If I am wrong, I will find out for the hon. gentleman and report back on Monday.

* * *

IMMIGRATION

ALLEGED REDUCTION OF FUNDS FOR ENGLISH LANGUAGE TRAINING—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the absence of the Minister of Manpower and Immigration, may I direct my question to the Acting Prime Minister? Can the minister tell the House whether the government intends to diminish or has diminished funds for second language training in English at Algonquin College, Ottawa, bearing in mind the importance of the college to the area in which it is located and to the teachers involved? Also, does the minister's department intend to implement this withdrawal, if it is going on, in centres like Toronto, Hamilton and other places in Canada?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am unaware of this but will make inquiries. If the minister is here, he will answer, or I will endeavour to get the information.

EXTERNAL AFFAIRS

PROPOSAL TO COMPENSATE MOZAMBIQUE FOR LOSSES FROM BLOCKADE OF RHODESIA—AMOUNT OF CANADA'S CONTRIBUTION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs and follows on the question I asked the minister yesterday. In light of reports that Canadian officials have said that no specific funds are being discussed in terms of compensating Mozambique but that Canada has agreed in principle to contribute to any general fund for the purpose, can the minister estimate how much will be earmarked as Canada's share of the fund being set up at the Commonwealth conference to compensate Mozambique, a non-Commonwealth country, for losses incurred in blockading Rhodesia.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I cannot give that detail. I will attempt to obtain more details and provide them later.

PROPOSAL TO PROVIDE FUNDS TO AREAS WISHING TO BREAK AWAY FROM SOUTH AFRICAN CONTROL—CANADIAN POSITION

Mr. Howard Johnston (Okanagan-Kootenay): A supplementary question, Mr. Speaker. Can the minister, in the interests of candour, tell the House if Canada has agreed to involve itself in providing funds to encourage forces within southwest Africa with plans to break away from South African control?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker.

* * *

OLYMPIC GAMES

COUNTERFEIT OLYMPIC COINS—GOVERNMENT ACTION TO PREVENT ISSUANCE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Postmaster General. As high quality counterfeit Olympic coins are being produced and distributed abroad, can the minister advise the House as to the steps the government is taking to end this activity and how can Canadians be assured that these or other counterfeit coins will not find their way into our markets?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the hon. gentleman is quite accurate in his description of events. There is obviously some indication of an international ring of counterfeiters working primarily on the continent of Europe. We are aware of this and our police force is working closely with Interpol. It is also true that, in all probability, some of the principals involved are Canadians. There is little evidence, however, that these imitation Olympic coins are a threat to Canada. I suggest that people who want to buy these coins should protect themselves by buying from authorized dealers, such as chartered banks and other reputable firms, and we are prepared to provide the list of dealers to people. In

other words, let the buyer beware if somebody is offering him a bargain in this field.

OLYMPIC COINS—POSSIBILITY OF ISSUANCE OF GOLD COIN

Mr. Otto Jelinek (High Park-Humber Valley): A supplementary question, Mr. Speaker. As the minister earlier this week neither denied nor confirmed that gold coins will be minted in order to supplement the sagging coin program, and as Simpson's of Toronto are already taking orders for just such Olympic gold coins, will the minister not take the House into his confidence and let us know whether gold coins will be minted, as Simpson's obviously already know.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the coin program is not sagging, which is good news. Actually, now that the uncertainty as to whether there are to be Olympic games next year has been cleared up, the coin program is going along very well. As to whether there is to be a gold coin, I will take the House into my confidence. I assure the hon. member that such a decision has not been made by the cabinet. In so far as people taking orders in Toronto, they take them at their own risk. They will be quite red in the face if they are unable to deliver the orders in the event that we determine not to issue gold coins, but proceed in some other manner.

● (1200)

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. HERBERT—CONDUCT OF PRIVATE MEMBERS' BUSINESS

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I request your indulgence while I explain the various incidents that lead me to raise this question of privilege at this time. I had attempted to raise the matter in private members' hour, where it would be more appropriate, but our rules do not permit that procedure. I have risen in private members' hour in this House on several occasions, on points of order, to protest the procedure allocated for private members' business. The daily correction procedure does not cure the recurring problem which affects the rights of all members.

On Tuesday of this week, private members' business was not called until 5:45 p.m. due to preceding votes. The item called was No. 40, which was the thirtieth item on the list of public bills which are presently before the House. Speeches by the introducer of the bill and by others acknowledged that this bill, C-240, had effectively been superseded or made redundant by another bill, C-208, which had passed second reading, committee discussion and report stage and was awaiting third reading. The first item of business listed on the order paper that day was Bill C-208, an act respecting National Heritage Day.

[Mr. Mackasey.]

It is my understanding that Bill C-208 was not called because the government is to introduce a comprehensive bill dealing with all holidays. Recognizing that the Department of the Secretary of State is not progressing as fast as many of us would like, I agreed on March 14 in this House to an amendment to the Canada Day bill, Bill C-231. An intervention by the hon. member for Winnipeg North Centre (Mr. Knowles) on that occasion suggested that a member could not propose, himself, that the subject matter of his own bill be sent to committee. This point of order was upheld by the Chair. On Tuesday last I was advised that an agreement had been reached that the bill under discussion would be withdrawn and that unanimous consent would be requested for the withdrawal. Thus, when the member sponsoring the bill rose at a half-minute to six and was recognized, I assumed it was for this purpose. I was also under the impression, from the procedure followed on the previous point of order, that the sponsoring member would be out of order in making the proposal to send the subject matter to committee. Mr. Speaker, I called "No" on Tuesday at 6 p.m. and was prepared to speak at that time. I was not heard or recognized, in the noise, as everyone rose to leave the House.

I would like to make five points. One, the first item of business, Bill C-208, was not called and there was no indication from the government that it wished this item of business to remain at the head on the list. I would point out, Mr. Speaker, that such an indication is very important, since National Heritage Day has already been incorporated into labour agreements and members receive many letters from workers who maintain that they are being deprived of an assumed benefit due to the lack of progress of this House on a measure that would receive all-party support if it were called.

My question deals with the procedure that was followed at precisely 6 p.m. on Tuesday last. The amendment by the member was out of order. Why was it not so ruled? Why was that member permitted to stand again and be recognized for a second time, when at least three other members had risen and had not been recognized?

Mr. Speaker: Order, please. The hon. member ought to proceed to develop a question of privilege if he feels that in some way the procedures that were adopted in respect of private members' business treated him unfairly. However, there is certainly no point in the hon. member carrying on a discussion as to whether or not any decision or action taken by the Chair was consistent with the circumstances at that time or was in order or out of order. That simply constitutes an appeal to the person now occupying the chair against the person occupying the chair at that time. The hon. member ought not to use his time on that question.

Mr. Herbert: I apologize, Mr. Speaker. The point I want to make is this: when we have already reached six o'clock, would it not be a preferable procedure for the Speaker to ask if there is agreement that he should not see the clock, in order that noise and confusion that often occurs at that hour should not hide from the Speaker the wishes of the members? "Unanimous" means every member present, and if there is in fact unanimity, then nothing is to be gained by rushing our procedures just because the hands of the clock have passed 6 p.m.

My last item in this question of privilege deals with the way we proceed at 5 p.m. on Mondays, Tuesdays and Thursdays and at 4 p.m. on Fridays. It is my understanding that the responsible minister is required to indicate the willingness of the government to allow a measure to retain its position on the order paper if that measure is not to be proceeded with at that time. In order to have that specific indication, it is essential that the measure be called.

My several interjections on this subject arise from the difficulty we experience in finding out precisely what business is to be brought before the House. With so much committee work, it is obviously impractical for each member to be present at all times and therefore ready at all times to debate a specific measure on which he or she has an interest. The government House leader is rarely in a position to determine precisely when debate on a government bill will terminate and, under these conditions, must maintain some flexibility as to the next item that he will call.

However, the calling of private members' business is an entirely different matter. A start is made at a specific hour. Our rules require that we follow the order as it appears on the order paper. The member, therefore, has a right to assume that the first item of business will be called unless there has been an indication from the government of a reason to allow the measure to stand. It is agreed that the House must retain flexibility; however, the rights of members to participate in subjects of interest to them must also be respected.

Mr. Speaker, I would request your comment, at your convenience, on the various points that I have raised so that a judgment can be made on whether a motion is necessary to attempt to bring some order to private members' business.

Mr. Speaker: I will, of course, take the matter the hon. member has been dealing with under advisement. However, I should say at once that there are two obvious comments. The first is that the government, as such, really has no particular control over the conduct of private members' business. An indication of consent or otherwise from the government as to the ability of a bill or any other measure to stand and retain its priority is no different from the indication of any other member of the House. Private members' business is exactly as it is described, an hour set aside in which it is the business of all members of the House to participate in those measures. The consent given at any time for a measure on the order paper under private members' business to retain its priority would be quite valid during that time with or without the consent of anybody on behalf of the ministry.

The second point is that the procedures which have been adopted are matters of convenience. They are a departure from the strict interpretation of the rules which would require calling, seriatim, at every private members' hour, all such items on the order paper. Initially, the very filing of private members' bills and their selection for consideration is a departure from the strict interpretation of the rules. Those departures are a matter of custom and are for the convenience of members so that we can operate with reasonable smoothness and not waste too much time on a number of technical interpretations of the rules. The

Chair can do nothing more than implement that kind of custom. If it turns out that this kind of custom is not universally accepted, the Chair will have no recourse except to go back to the technical arrangements that have been described by the hon. member.

It seems the Chair ought to let the matter stand, in the hope that the hon. member and others who are concerned about the problem might work it out internally by speaking to the parliamentary secretary to the government House leader and, if necessary, to the other House leaders in order to ensure that there is understanding as to how the business ought to operate.

* * *

[*Translation*]

SOCIAL SECURITY

TABLING OF COMMUNIQUÉ FROM CONFERENCE OF FEDERAL-PROVINCIAL MINISTERS

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, on behalf of the Minister of National Health and Welfare, I am tabling in both official languages two copies of the communiqué from the federal-provincial conference of welfare ministers.

* * *

[*English*]

PUBLIC WORKS

DREDGING CONTRACTS—STATEMENT ON GOVERNMENT POSITION IN VIEW OF PROSECUTIONS UNDERTAKEN

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, in reply to a question asked in the House by the Leader of the Official Opposition (Mr. Stanfield) earlier this week, I stated that I would make an announcement on the subject of dredging on Thursday or Friday. I am now in a position to make that statement. Let me begin by saying that we are faced with a situation in which the individual companies making up practically the whole of the dredging industry are facing prosecution in the criminal courts with respect to dredging contracts. We are also faced with a situation where dredging must proceed or continue in order to ensure continued public safety and to avoid major economic disruptions.

Let me first advise the House of the measures the government intends to take immediately in order to protect the public interest in future dredging contracts. I will discuss existing dredging contracts later.

● (1210)

First of all, action has been taken to strengthen the terms and conditions in the new contracts by requiring the contractor to agree to full disclosure of all factors on which his bid is made, and the nature and extent of any communication relating to the work or the cost of the work between the contractor and any other person. This requirement will provide the Crown with additional information for use in determining the validity of the bids. An interdepartmental committee under the chairmanship of Public Works will analyse and review bids. This commit-

tee is composed of those departments and agencies involved in the administration of dredging contracts that is, the departments of Public Works, Transport, the National Harbours Board and the St. Lawrence Seaway Authority.

Second, Mr. Speaker, the invitations to tender, and new contracts will require the contractor to warrant that there has been no collusion whatsoever—

Some hon. Members: Oh, oh!

Mr. Drury: —between the contractor and any other person in respect of the tender or the contract or the work under the contract. Future contracts will provide that should these conditions be breached, payments under each contract will be limited to the lesser of 90 per cent of the contract price or the audited cost of the labour, plant and material to the contractor, excluding profit and overhead. Furthermore, new contracts will require contractors to retain all related documents for a period of five years rather than the two-year period now required.

With respect to existing contracts, hon. members are aware that under dredging contracts progress payments are made for completed work and a percentage of the contract price is held back until a certificate of completion of the work has been issued. One obvious means of protecting the public interest where companies have been charged under the Criminal Code is for the government to withhold both progress payments and holdbacks, but the legality of this procedure is currently under challenge in the courts.

We recognize that the dredging work must continue and that there are third parties involved who may suffer if payments are withheld. Keeping in mind the above considerations, we will seek guarantees equal to a minimum of 10 per cent of the value of the existing dredging contract from those companies charged under the Criminal Code.

By these means, Mr. Speaker, we expect to attain our two objectives of protecting the public interest and of ensuring that the necessary dredging is carried out, while leaving to the due process of law the problems which have arisen from contracts already concluded.

Mr. Speaker: Order. I note the minister has taken three or four minutes in which to make his statement, and I would suggest that opposition comments should certainly not be longer.

Mr. McGrath: Mr. Speaker, the fact that the minister could make such a statement with a straight face stretches even the substantial credibility he enjoys in this House. We understand and appreciate the government's position. Yesterday, the president of one of Canada's major dredging companies said, and I quote him: "They are in a bit of a quandary mainly because no one else is able to do the dredging work but the companies charged". I do not accept this, and I am surprised the minister accepts it.

The steps the minister now proposes in his statement should have been taken when he was president of the treasury board and was faced with six different reports from the Auditor General, going back to 1963, suggesting there were serious irregularities in dredging contracts in Canada. What does the minister mean, for example, by his statement that warranties will be required from contractors to ensure that there will be no collusion? What about the ordinary business practice of bonding? To ask these companies for warranties is tantamount to the FBI asking Bonnie and Clyde for a warranty to keep the peace. It is incredible. It is beyond me how the minister could make such a statement.

We are not at all satisfied with the guidelines announced by the minister. In my view, he has merely compounded the embarrassment in which he finds himself. There was a simple, logical and sensible solution and he should have announced it today, namely, that the biggest dredging company in Canada, the only company in Canada, the only company that has not been charged before the courts—that is to say, the Department of Public Works—would carry out this work at least until these charges had been disposed of.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the gist of the minister's statement amounts to the kind of logic one would follow if one said to a man recently convicted of robbing a bank of $100 million; "we are going to solve that problem in the future. There will be no problem at all with this man; we will just get a signed statement from him promising not to do it again."

The procedures the minister outlined do represent some technical improvements over existing laws under which virtually all the major dredging companies are presently being prosecuted for defrauding the people of Canada of millions of dollars. Although it is important to tighten up the law and the investigative procedures to make certain that contracts are honoured, if one is dealing with a group of individuals or corporations that are basically dishonest, if such turns out to be the case—if they are convicted; and there are certainly strong prima facie grounds for believing this is the case—then no matter how tight the procedures are, they are still going to take the chance if their basic inclination is to indulge in criminal activity.

We in our party do not believe that this kind of activity should be left to the private sector at all. Surely, if a case ever existed for public enterprise, this is it. There is only a handful of companies. Even if they are honest, every economist knows that no effective competition takes place in a sector of the economy where only a few firms are operating. So there is no effective competition there.

The NDP believes the Department of Public Works should be doing this work itself. There is no need to contract it out. All the work is being done for the public or for public agencies; it is a continuing operation for which the government should assume responsibility. If in marginal cases private individuals or companies want service, they could go to the government and hire government dredging operators. There is concern for those employed by these private dredging companies. It is our view that should the government take over these operations, the employees now working for the private companies should be hired by the Department of Public Works.

[*Translation*]

Mr. Fortin: Mr. Speaker, I first wish to express my regret that only an English copy of this statement was made available to us, not that I have particular separatist or nationalist feelings, but rather because I think the minister does not in the least try to respect both official languages in this House when he issues those statements. That is indeed shocking.

Mr. Speaker, this statement by the minister today is meant to give the impression that his department will take the necessary steps to restore public trust in the dredging contracting out system, although this is by no means achieved in spite of the government's good intentions. We should be aware that the companies concerned in that statement now have legal troubles, but that those troubles finally amount to very little. The companies have been organized and clearsighted enough in the past to set up subsidiaries which would not ruffle the political feathers of the government of the day. Dredging contracts were awarded to different series of companies according to government colour. Just remember when Prime Minister Bennett was in office for instance. I was reading a document to that effect no later than yesterday. When government change occurs, other companies get the contracts. What is more amazing is that we are realizing today, through revelations in this House, that companies in both cases belonged to the same people: that was a case of collusion.

Mr. Speaker, the assurances or intentions stated today in the House by the Minister of Public Works (Mr. Drury) show that he cannot take any step or that he is not interested anyway in taking any step to prevent the collusion of dishonest companies and to prevent those companies from ripping off public funds and depriving people of their interests. May I remind the minister once again that in the future, if he had the kindness and the regard to issue his statements in French or keep them in his office, we would reach approximately the same point. I think, Mr. Speaker, the minister should be scolded a little more by his party so that he would respect that entity, for it is one. As I said, such unilingual statements are an outrage.

● (1220)

[*English*]

Mr. Stanfield: Mr. Speaker, I should like a little information from the minister regarding the practices followed by the Department of Public Works. Is it the practice of the Department of Public Works, when tendering a dredging contract, to develop its own bid? I do not mean simply to develop a rough estimate, but to put in a bid of its own—as is common practice, for example, in the department of highways in my own province—as a means of having a really solid check on the competitiveness of any bidding put forward?

Mr. Drury: Mr. Speaker, perhaps the hon. gentleman has reference to the quality of the estimates made. We have some direct experience, particularly on the west coast and with the Mackenzie River, of the elements of dredging contracts, such as overhead, transportation, equipment costs, and so forth. These are tested against the bids that are put in. Under the new system, all the elements making up the total bid will have to be spelled out, and these will be compared with own our government experience of the various elements. So that what the hon. gentleman is suggesting will be done.

Mr. Stanfield: A supplementary question, Mr. Speaker. I do not want to misinterpret what the minister has said, but am I to take it that to date, in terms of asking for bids before letting a dredging contract, there has in fact been no accurate or precise computation of the costs of the project by the department which could by any stretch of the imagination be regarded as a sound method of comparison by which actual bids could be judged?

Mr. Drury: Mr. Speaker, the hon. gentleman used the term "by any stretch of the imagination". There have been, and there will continue to be sound estimates made. Certainly, they are not "off the top of the head" bids. The hon. gentleman will appreciate that there will be, in the Department of Public Works alone, some 75 contracts for dredging in various parts of Canada. Some are quite large; others are very small indeed and may be done entirely from the shore. I cannot assure the hon. gentleman that this rather elaborate procedure has been applied to every single contract, but in the case of the larger contracts a serious analytical appraisal has been made in order to arrive at a valid over-all price.

Mr. Broadbent: Mr. Speaker, may I ask the minister this question? Most dredging operations are done for the federal government. I do not know what the percentage is, but I am sure that substantially 80 or 90 per cent of dredging is done for the federal government. In view of the fact that there are very few firms now in the field, and that quite apart from the question of honesty in this sector of the economy, it is widely accepted that there is very little competition but there is what economists call price leadership—which means implicity that the biggest firm sets the price and the others fall in line—would the minister tell the House why the government did not decide to take over dredging operations and get the Department of Public Works to do them?

Mr. Drury: Mr. Speaker, I think the hon. gentleman has a slightly incorrect picture of the dredging industry. What he says is true of very large contracts, such as the port of Vancouver, the Fraser River, the Mackenzie River and the St. Lawrence River, but in this country a very considerable number of relatively small ports require a limited amount of dredging for a relatively short period. A great many small contractors in the past have effectively and efficiently been doing this work.

To suggest that the dredging industry in Canada is comprised of only four or five firms is really not correct. For large contracts there are relatively few contractors who have the necessary equipment. But there are a great many small contracts for dredging for a relatively short period of time in the year, and their services are usable for other purposes at no cost to the Crown.

Mr. Broadbent: A supplementary question, Mr. Speaker. I will accept the minister's description of the operation in Canada, but it seems to me he is locked in to part of my argument anyway, so I want to see what his answer is. Assuming there are few big firms available to deal with the major operations under the control of the federal

government, why not create within the Department of Public Works a section that would be exclusively concerned with doing dredging work in the large contract areas the minister referred to, leaving smaller private firms to do the smaller, private projects?

Mr. Drury: Mr. Speaker, perhaps the hon. member is asking me to point out the disadvantages of pure socialism in the dredging industry. I think an equal case could be made for nationalizing all the railways, the assumption being that government can do things better than anybody else. That is not an assumption I am prepared to accept.

[*Translation*]

Mr. Fortin: Mr. Speaker, I should like to put a rather brief question to the minister.

When his department calls for tenders for a specific dredging job, does it check the financial structure of the companies, to see if there are ties, by association, financial arrangements or otherwise between them, and whether the companies are associated or really truly different? What guarantees does his deparment have that there is no collusion of the type we have witnessed in the past?

Mr. Drury: Mr. Speaker, in brief, the answer is yes. An endeavour is made to obtain, seek and receive such information; that is what is meant when we say that information will be given the government on all ties or relations of the company tendering for the job.

● (1230)

[*English*]

Mr. Lambert (Edmonton West): Mr. Speaker, the minister has said that one of the improvements in the procedures is to be obtained by the establishment of an interdepartmental committee composed of people from the Department of Public Works, the Department of Transport, the National Harbours Board and the St. Lawrence Seaway Authority, who will screen these contracts. Will he kindly advise who screened or examined these contracts in the past? Also in what way does he feel this interdepartmental committee or interagency committee will improve matters?

Mr. Drury: Mr. Speaker, in the past each agency, whether it be of the federal government or of some other level of government, has done its own screening. In the case of some of the public agencies, they have little direct experience in dredging. The Department of Public Works carries out substantial dredging operations, mostly on the west coast and in the Mackenzie River areas, and consequently it has direct experience in costing. The National Harbours Board and the St. Lawrence Seaway Authority do not carry out dredging operations themselves but merely have it done by contract, and we will be able to make available to them the experience of the Department of Public Works.

Mr. Lambert (Edmonton West): Mr. Speaker, is it a natural conclusion from this, that notwithstanding many years of exposure to dredging work which these people have, the National Harbours Board and the St. Lawrence Seaway Authority for the past number of years have been uninformed and, therefore, incompetent.

[Mr. Broadbent.]

Mr. Drury: Mr. Speaker, they have been operating on the thesis that the competitive system was not afflicted, if I can use that term, with collusion; and if there is bona fide competition, then a competitive tendering system will produce the kind of results one seeks. The Department of Public Works is in a better position than the agencies I have mentioned to carry out tests as to whether these are valid or perhaps unreasonable bids.

Mr. Speaker: Order, please. At the moment I see four hon. members who wish to ask questions. I propose to recognize the hon. member for St. John's East (Mr. McGrath), followed by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and then the hon. member for Hamilton West (Mr. Alexander), with the hope that this will cover the subject matter.

Mr. McGrath: Perhaps to facilitate the timing I will ask my two questions at once, Mr. Speaker. Considering the fact that by the minister's own admission a considerable lobby of professional expertise exists within his own department, I should like to ask why the minister did not exercise the option to carry out this dredging work in whole or in part through his department by making use of the dredging equipment already owned by these companies or perhaps by renting or hiring it. When the minister replies, perhaps he could explain to the House what he means by the word "warrant". What does that mean, and why did the minister not demand some kind of financial bond from these companies to ensure that collusion practices were not taking place?

Mr. Drury: If one looks at the history of current problems, he will see there has not been any complaint that the work being done is inefficient or badly performed. The problem here has been the result of alleged collusion among the principals, having nothing to do with the managers or the subcontractors failing to do the right thing in the best way or in terms of efficiency. There have been charges which allege collusion in making representations to the government. These measures will enable us to test the validity of those representations. Full and complete disclosure as to the various elements making up the bids will enable us to examine them and apply to each of the elements the kind of procedure the Leader of the Opposition (Mr. Stanfield) has suggested.

It has been asked why we did not hire the dredges and services rather than the total services of the contractor. Had we been more suspicious of them at an earlier time, and had these companies come under the new provisions of the Combines Investigation Act, then I think the hiring of the equipment and managing it ourselves would not necessarily have been a more efficient operation than that which has taken place in the past. This would not have served to cure the problem in respect of alleged collusion.

In relation to the required warranty, I am advised by law officers of the Crown that this explicit warranty against collusion will be helpful in establishing a case where there is suspicion or a charge of collusion. The fact of the warranty having been given will enable us to invoke more easily and more effectively the law in respect of agencies who are subsequently found or suspected to be guilty of that practice.

Mr. Alexander: Noting that strange explanation about the warranty, Mr. Speaker, and with all due respect to the Minister of Public Works (Mr. Drury), I wish it were possible to ask questions of the Minister of Justice (Mr. Lang). I hope there will be some form of statutory declaration in respect of these bid warranties, because to me a warranty means absolutely nothing when you remember that every Tom, Dick and his brother can give a warranty.

The establishment of an interdepartmental committee seems to make sense. I appreciate the reason the Solicitor General (Mr. Allmand) is not involved, because that would also involve the RCMP. However, because of the importance of this matter I wonder why there has been no reference to the Department of Justice being represented on this interdepartmental committee. I ask this question because of the *modus operandi* of which we are not yet completely aware. I am sure the Attorney General is aware of it through the RCMP, and I am sure the information is subsequently passed on to the Department of Justice. Why is it not spelled out here that the Department of Justice shall play an initial role through direct representation on this interdepartmental committee?

Mr. Drury: Mr. Speaker, before this morning's session I explicitly suggested to the Minister of Justice (Mr. Lang), and he heartily agreed, that one of his senior officials should be on this committee. It is taken for granted that this basically technological committee will be supported by adequate legal advice. It goes without saying that the Minister of Justice will through his representative participate in respect of legal questions, and he has explicitly agreed to do so.

Mr. Alexander: Mr. Speaker, if the Minister of Justice is to be involved, and there is no doubt about that, why cannot this be spelled out in the terms of reference by just adding the Department of Justice to this list which includes the Departments of Public Works, Transport, the National Harbours Board and the St. Lawrence Seaway Authority? I do not understand why there is hesitation in this regard.

● (1240)

Mr. Drury: Mr. Speaker, if it would help the hon. gentleman, I would be quite glad to see it done.

Mr. Gilbert: Mr. Speaker, in view of the massive evidence of collusion in respect of competitive bidding by the major dredging companies across the country, going back to 1963, what evidence has the minister that they ever indulged in real, competitive bidding? That is the first question. In view of what has happened in the past, what evidence is there that they ever indulged in real, competitive bidding, and what assurance has the minister that they will now participate in real, competitive bidding? Also, why is the minister convinced that the private sector can do a more effective job, in view of its past record, than his own department setting up a public agency to do the necessary work?

Mr. Drury: Mr. Speaker, the last question is doctrinaire and I should not attempt to answer it. In respect of the earlier one, it is quite clear that the prima facie evidence at the moment is that there has not been competitive bidding.

Mr. Stanfield: Why did you not find out?

Mr. Drury: We perhaps will be faced with collusion in the future; but at least we will have some tests against which to examine payments in the future to see whether we should be suspicious of further collusion. Not only that, there will be a number of explicit sanctions in the new contracts which will make it very much more chancy or difficult to invoke legal technicalities in avoiding sanctions in the future.

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QUESTIONS ON THE ORDER PAPER

Mr. Charles Turner (Parliamentary Secretary to Minister of State for Science and Technology and Minister of Public Works): I ask, Mr. Speaker, that all questions be allowed to stand.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed from Thursday, May 1, consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, we seem to have before us today a bill which promises something which is to be desired by a segment of agriculture. However, it becomes merely another section of the ad hoc group of policies which have been introduced by this government in the field of agriculture. It is another inconsistency in the basic policy which agriculture has been seeking, in the sense that it limits itself to a particular sector of agriculture and does not apply in general terms the very principles upon which a healthy agriculture in Canada can be established.

I should like, first, to draw the attention of the House to the rather unkind remarks of the hon. member for Assiniboia (Mr. Goodale), inasmuch as he implied that everything said by anybody other than a member of the government had to be interpreted as being purely political and, therefore, inconsequential and something for which nobody in Canada should have any concern. I submit that nothing could be further from the truth. Probably no group in the political life of Canada has spent more time in considering what should be agricultural policy for this country than the members of the opposition. No party, by

virtue of the number of seats it holds in agricultural areas—this should be evident even to the hon. member for Assiniboia—has more agricultural support than the opposition. Therefore, there is a very important element of confidence in the opposition in respect of agriculture. This fact has been evident over a great many years.

So far as I am concerned, the field of agriculture should not be exploited as a political game. However, it should be discussed and from that discussion should evolve programs which can perhaps establish a healthy and viable agricultural industry in this country. I submit that this bill is but another piece of evidence of the lack of understanding by the government of a multitude of aspects of agriculture, and a reflection of agricultural input by an urban-oriented group of people who do not have the understanding of agriculture which is necessary to create policies which would be satisfactory and successful.

I find it very difficult on occasion to agree with the hon. member for Timiskaming (Mr. Peters), but I would have to say that in his remarks last night he illustrated beyond any question the idiocy of the formula which is to be the base upon which payments shall be made to those who will benefit under this legislation. Certainly, I think anybody who is familiar with agriculture would be quite capable of coming up with a simple formula based on the earnings of the farmer rather than based upon all the indices which have been dreamed up by somebody far, far away so far as his knowledge of agriculture is concerned.

Basically, everything that has been proposed from this side of the House has been completely rejected, out of hand, as being unrealistic. I wish to give an example of one error of the bill in specifying the expenses a farmer may have as part of his cost of production. There are two very important items deleted; I submit, perhaps by intent. The first is the rental cost, of which there is no mention. The second is the interest cost of the farmer who does not at this moment in time, or will at the moment in time of his application for assistance, have his farm paid for. The bill is designed to help the established, self-financed individual and it is prejudicial to individuals who do not have this healthy financial position. It would be very simple indeed, as a simplistic interpretation of the bill, to say that costs which will be taken into consideration in the filing of an income tax return shall be costs contributing to the cost of producing grain. That would cover the field. Often when we just listen, we delete, by oversight, some of the obvious things which are part of the cost of farming.

● (1250)

I submit this bill looks like the product of somebody who has dwelled too long in the marble halls of the autocractic structure of a government which has perhaps become a little bit egotistical in respect of its knowledge of agriculture and agricultural needs. This does not mean, Madam Speaker, that I am in any way opposing the principle of supporting the income of every farmer in Canada who has a reasonably sized unit. Such person is entitled to a good income, as is any other member of our society. This is something that was recognized until this government came to power some ten years ago. Since then we have been moving farther and farther away from the realities of a healthy agricultural industry.

[Mr. McCain.]

This bill is a further example of the fragmentation of the government's approach to agriculture. This government has the audacity to say to farmers in western Canada that the Minister of Agriculture is incapable of administering their affairs. The government says "We shall pick at random somebody whom we think is more capable. We do not trust the Minister of Agriculture, so we will not put this stabilization program in his hands but will reserve the right to name someone else". This is an insult to the Minister of Agriculture and to agriculture itself. Once again we are to have an interdepartmental committee. I suppose that means it will comprise of somebody from income tax, somebody from statistics, somebody from transport, but no one agriculturally orientated and capable of understanding the problems of agriculture. The bill does not spell out who shall be on the committee, nor does past performance indicate that this government will put agriculturalists in charge of it.

In several places the bill leads me to believe that full consideration has not been given to those who may not be eligible to participate in this plan. For instance, if the minister decrees that a farmer is not eligible, and at a later date that farmer is reinstated as a result of an appeal to the Federal court, he may find himself in the second-rate position of an individual who has chosen, for the first time, to participate. I believe such person would be covered by clause 5 (2) of the bill, but his participation in the plan would be delayed and limited. This is not in line with the ordinary principles of justice which any citizen of this country has a right to expect.

The bill also overlooks regional requirements. Grain growing areas may be hit by strikes, by transportation problems, and so on; but there is nothing in the bill to cover such contingencies. Let us suppose that because of transportation problems it was impossible to move western wheat to Vancouver and the eastern outlets were already loaded to capacity. What would happen to the grain growing areas which might not receive any income because the grain could not be moved? There is in this bill no provision for relief to such an area.

The Minister of Agriculture has made derogatory remarks about Canadian marketing in general and has said some unkind things about potato marketing in New Brunswick in particular and the Atlantic area. I think this is another area in which the marketing of the crop will be a very important factor as to whether the producer of the grains referred to in the bill may or may not need help. One might wonder if this plan is intended to replace crop insurance. There does not seem to be any relationship between an individual who receives compensation through crop insurance and an individual who may have suffered a couple of years of hail damage and who applies for help under this plan. If I am wrong, I stand to be corrected. I see the minister responsible for the Wheat Board (Mr. Lang) shaking his head. A declining payment is available under crop insurance; it does not remain static. But a farmer whose crop is hit by hail or flood for two or three years in a row may find he is not eligible for stabilization payments.

May I call it one o'clock, Madam Speaker?

The Acting Speaker (Mrs. Morin): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p. m.

Mr. McCain: Madam Speaker, though the formula is somewhat confusing to a layman in the English language, as I am, one of the factors which is not given much consideration in the determination of what shall be part of a stabilization program seems to be capital cost. Capital cost is a very significant part of a business operation in any democratic country, yet in the formula described under this legislation I fail to see where there is any allowance for such cost.

I mentioned earlier that there was no allowance for interest charges. This is another factor which is apparently omitted but which must be taken into consideration if one is to arrive at a proper figure of cost for any agricultural product. It may vary from region to region of Canada, as the same product is produced in different areas and may not always have the same bearing upon the unit cost of the crop, but it is there as part of that cost and, as in every other business, it is a fundamental part of a sound operation and should be considered.

In principle, as I said earlier, virtually every individual concerned about agriculture would be prepared to support this bill, but it is legislation which by its very nature in meeting a specific purpose is extremely discriminatory. It may be said that this is an unkind statement from a politician on the left of Mr. Speaker, but let me cite, for instance, the treatment CEMA has received from the Government of Canada. Farmers under CEMA have been asked—as farmers under this legislation will be asked—to contribute to their own support. CEMA collects, through its producers, large amounts of money for support. So it will be with grain producers of western Canada, but they will have more than a matching contribution from the federal government which is intended to assist them in times of economic trouble.

Everyone knows the woeful position in which egg producers of Canada, under CEMA, found themselves; yet there has not been a suggestion by the government that it is prepared to match in any way the contributions which egg producers may have made for their own support. I submit that this is gross discrimination against the egg producers of Canada organized under CEMA, and they should certainly be parked at the minister's door—who knows which minister; he is yet to be appointed—asking for comparable treatment. I say it is discrimination and that this principle should apply to other agricultural items wherever they may be produced in Canada.

Another thing which is left completely uncertain in this legislation is this: there is no apparent room for provincial participation. At least, there is no mention of it. It does not, of course, preclude provincial participation. It is interesting to note that the Cattlemen's Association, in presenting their brief to the agricultural committee, made it a

specific point to ask that the provinces not participate in the relief of agricultural economic problems anywhere in Canada. It is certainly to be hoped that under this act the provinces will not only be asked not to provide relief, but will be encouraged to abandon responsibility for the support of this agricultural program. Let us hope that the same philosophy, the same policy, will be extended to other agricultural products.

● (1410)

The discretionary clauses of this bill allow the minister to determine what the levy shall be when the fund is in surplus, and what the levy shall be when the fund shows a deficit; but in no instance do they impose a limit. The bill suggests that in normal times there is to be a 2 per cent contribution by the producer; that is, 2 per cent of sales should be the producer's contribution. Yet when it comes to the discretionary power of the minister, he is not bound by the limitation of the 2 per cent levy. How will those discretionary powers be used? Will they be used one way in an election year and another way after the election? Is this a particular political ploy aimed at attracting the votes of a particular segment of Canada's population, while leaving the rest at a loose end? Some people in agriculture, particularly in eastern Canada, are inclined to think that it might be.

The government's concern as evidenced in this bill for the western farmer is in sharp contrast to its lack of concern with respect to the cost of feed grains and regularity of the delivery of feed grains to eastern Canada from the west. Certainly, the government's concern for western farmers is in sharp contrast to its concern for the agricultural feeding sector in eastern Canada, the ability of which to produce has been impaired to the extent that in many instances producers can no longer produce eggs, beef and pork products for Atlantic provinces' consumption as cheaply as producers in other parts of Canada can produce and deliver them to Atlantic provinces' points of delivery.

If we are to be concerned about the welfare of the western farmer, why should we not extend our concern to all farmers across Canada by not introducing ad hoc pieces of legislation such as this which are designed to fit particular situations such as the one we are discussing? Instead, let us bring in a blanket piece of legislation which will look after the whole field of agriculture. All agricultural producers are crying for this.

For the benefit of the hon. member for Assiniboia, I suggest that such a policy has been proposed many times in this House. I ask him to read the statements on policy which have emanated from the opposition in election after election, stating that security of income of the farmer is of primary concern to this party. We say that agriculture should be treated as one industry and not fragmentized. Our policy would not pit one part of Canada against another but would be all-inclusive in its coverage.

I sincerely hope that under this legislation the grain farmer will not experience the problems which the potato producer, apple producer, grape producer and other producers all across Canada have faced when applying to the government for assistance. I hope that the discretionary power which is to be placed in the hands of the minister

and his staff will be exercised in such a way that all who are to received aid will receive it equally. I hope their markets will not be categorized. Rather, I hope that their needs will be measured by the yardstick of lack of income alone.

I bemoan the fact that when the potato program was implemented in the Atlantic area, it was implemented in one fashion for those who shipped to the fresh market and in another fashion for those who sold to the processing market. It left those selling to the processing market in a position of disadvantage. If the discretionary powers in the bill allow the minister to be unkind to some and kind to others, they should forthwith be struck from the legislation.

This bill, Madam Speaker, is in support of a principle to which I subscribe wholeheartedly. However, it seeks to provide income maintenance for a sector of agriculture. I submit that the principle of sector by sector help is unacceptable, although the concept of income maintenance for agriculture as a whole has been accepted and always supported by the members on my side of the House. I appeal to the government to look on the industry of agriculture through a farmer's eyes and not through an urban dweller's eyes, and to quit frigging around with a policy of aiding the industry on a piece by piece, ad hoc basis. The time has long since passed when western members can stand in this House, grin and say, "We are being looked after, but the rest of agriculture in Canada is to be treated in a different light."

I have referred to the case of CEMA and of the potato industry. I beg this House to adopt a rational approach. Let there be more farmer input in the decision-making process. Let us use statistics of cost as our guide as to what is needed by a particular farmer in a particular region to maintain his income. Let us throw in the wastepaper basket, where they belong, all the complicated formulas in this bill which must have emanated from one of the best mathematical minds in Canada—a mind highly qualified in mathematics but without any knowledge of agriculture. Let us make the legislation program easy to understand in its aims and income maintenance program. Let us put it into simple language which a farmer can understand. Let us get rid of all the gibberish in the bill; it will do nothing but confuse and establish an additional bureaucracy in this country.

There are three arms of government which are capable of administering this bill as it is presently constituted. It could be done by the prices stabilization board, perhaps it could be done by the Wheat Board, or perhaps it could be administered by the marketing arm of the Department of Agriculture. According to the way I read the bill, the program is to be administered by a minister to be named, together with a new bureaucracy which is to stand at his elbow and help him. Considering all the data which will need to be accumulated, the program should be in the hands of the Minister of Agriculture, otherwise that minister will not be doing his job: that is all we can assume.

The principle of the maintenance of farm income is good, Madam Speaker, but the fragmentation of the industry under different administrative bodies and interdepartmental committees is abhorrent to us.

[Mr. McCain.]

Mr. J. H. Horner (Crowfoot): Madam Speaker, this is the most complicated piece of legislation I have seen in my 17 years as a member of this House. Anyone who can understand this bill can understand how the CPR arrives at its freight rate formula, which is certainly complicated. I will not deal with the complexities of the bill; I want to deal more with the principle underlying it. It has been suggested that this bill is much improved compared with the previous bill on this subject, submitted in 1971. I am not sure this bill is an improvement. Certainly, it is far more complicated. Some of the obvious loopholes of the 1971 bill are to be plugged by this bill. Yet when you try to plug loopholes in poorly drafted legislation, you are bound to establish more and more regulations and qualifications. Certainly, this bill does that.

Some call the bill calamity insurance, but I say it is calamity insurance for the government. It is not calamity insurance for the farmer; it is calamity insurance for the government. Any government of any province or of any country will from time to time be confronted with emergencies. When a national emergency is declared, whether it be a hurricane in Texas, a flood in the Ottawa Valley, or a drought in the prairies, the government in charge must concern itself with the problem and try to bring about just treatment for the people affected. There must be just treatment for these people because of the emergency situation they have suffered through no fault of their own. This is often referred to as an act of God: it is out of the hands of both the individuals and the government.

● (1420)

This bill sets up a fund for the government, to be used in the event of a national emergency. The fund is contributed to at the rate of 2 per cent of gross sales by the producers, and 4 per cent of gross sales by the government. That concept is all right. Where, then, does it break down? There are many calamities that could occur in respect of which this fund could not be drawn upon. The government will be able to say to the people in those areas, "Sales have been good: this area does not qualify for assistance this year under this proposal and therefore we cannot make a payment." The government will have an excuse for not meeting the moral obligation it has when it takes office. I do not want to give this or any government any excuse for not assuming moral obligations they take on when they say they have the power, will and desire to govern.

The contributory fund is calamity insurance for the government; it is also insurance for the salesmen: however, it is not insurance for the producer. The producer may have a poor crop which may or may not be compensated for under this bill. He may have a good crop and it may or may not be affected by this bill. What will be affected by this bill is the situation when sales drop. When the Wheat Board or the agents of the Wheat Board fail drastically in selling six major grains, income will drop off and this bill will come into play. I want to make it abundantly clear that this is calamity insurance for the government and the salesmen. When the government takes office, it assumes the responsibility of looking after the citizens who elected it. From time to time those citizens are confronted with national emergencies which have been caused by acts of God. Grain producers are sometimes confronted with problems such as floods, hail,

drought or insects which compound the difficulties of agricultural production. This bill does not provide any insurance against those conditions.

It can be argued that this is an income stability bill and, therefore, it must protect the producer when he has a poor crop or when his rapeseed is set upon by beetles. The criticism of the original bill in not being regional also applies to this bill. The region constitutes the whole Wheat Board area which stretches from the Manitoba border into British Columbia. Any part of that vast area can have a crop failure, whether it be the desert in which I live, south and east of Hanna, the Peace River area, southern Saskatchewan or northern Saskatchewan. The interlake region of the province of Manitoba has often suffered drought and flood conditions. The regions to which I have referred will not be covered by this bill because stabilization payments are based on a percentage of the total sales. Therefore, those farmers would be better off buying crop insurance than putting their trust in this bill.

Another interesting question is, who can qualify? In the previous bill it was mandatory: in this bill it will be voluntary up to January 1, 1978. If you have not registered by that time, you cannot do so without the permission of the minister. The Minister of Justice who is in charge of Canadian Wheat Board (Mr. Lang) has often been accused in this House of setting up political machinery in western Canada comparable to nothing in the past. Clause 16 of this bill and its relation to clause 5 contributes to the political machinery the minister is attempting to set up on the prairies.

An hon. Member: Shame on the minister.

Mr. Horner: I am glad to hear that comment from a member on the government side. It gives me some hope that they will see the light. It is normally thought that we should have income stability to shore up the small producer. The basic concept of legislation presented to this parliament over the years has always been that the large producer can look after himself and we should do what we can to bolster the hopes and aspirations of the young farmer or small producer to keep him in business. Why has this been done? In the dairy industry we are continually losing farmers. In the hog industry we are continually losing hog producers.

When this legislation is examined in committee it will be clearly seen that it is more beneficial to the large producer than the small one. I do not think the federal government should contribute 4 per cent of the gross sales revenue to a fund to help the big producer. It would be more reasonable to expect the government to contribute to a fund which will shore up those who need shoring up. Every producer aspires to have a bigger operation.

How does this fund shore up the big producer more than the small one? The minister put it this way: he said, "You have to reward success; you cannot reward failure." That was his excuse when he was asked in the committee whether it was not true that this bill would help big producers more than small producers. To my mind, that is not good enough. The legislation before us will be of benefit to the big farmer, to the older farmer who is well established and who can keep up his sales in the five years preceding a calamity year. When a calamity year comes along, he gets by far the larger payment. And we are not talking, now, about $100 or $200 a month such as old age pensioners get; we are talking about payments running into thousands and thousands of dollars. As a person involved in agriculture, I want to encourage younger men to enter the business and take the risks that go with it. Farmers are confronted with hail, drought, floods, and so on, and I should like to see legislation enacted which would result in the degree of security which I believe the small farmer, the young farmer, needs today.

● (1430)

The previous speaker quite properly pointed out that the cost of capital was not provided for in this bill. Some time ago we passed legislation which will allow young farmers to borrow up to $150,000 under certain conditions. Having borrowed such a sum, a farmer must of necessity sell his crops every year before he can make repayment. If he hits two or three bad years in a row, he is bound to find himself in serious financial difficulties since he has not been able to build up a reserve. The well established farmer who has paid for his land and who has no need to buy new machinery is able to stockpile against eventualities.

From time to time, farmers do not sell all their grain in a crop year or in a calendar year. They may feel they will be obliged to pay too much income tax if they do otherwise, so they build up an inventory. In a bad year, their sales remain constant and they will be able to establish a far better average in the five years leading up to a calamity year. Young farmers will not be able to do this. The bill before us fails to give him the assurance which he is seeking and which parliament should be able to give him when we entice him to borrow $150,000 or more to get into the business of producing food.

Canada is a country likely to be beset by severe economic troubles later this year and in the years to come. However, we do possess certain abilities and one of them is the ability to produce agricultural commodities. In the past, sales of grain have favourably affected our balance of payments situation and no doubt this will continue to be the case in the years ahead. Looking at things from that aspect alone, I say the government has an obligation to ensure that sufficient numbers of young farmers get into the business. We are often told that the average age of farmers today is about 58, so there is obviously a need to encourage more young men to take on the debt load and to carry that load for the good of Canada. In the bill we are considering, I see nothing which would encourage hope in a young farmer and lead him to believe that if he does come up against a calamity year he will be shored up in any way by these proposals.

This having been said, I suppose one is led to wonder how the bill could be improved. Well, Mr. Speaker, before it can be improved it has to be understood in all its ramifications, and I do not think 5 per cent of the farmers in western Canada understand the mathematics or the mechanics of the measure.

Mr. Gillies: Five per cent of the members of the House of Commons don't understand it.

Mr. Horner: One of my hon. friends has said that not more than 5 per cent of those who sit in the House of Commons understand it. I think he is right. If anybody believes he understands it, let him read clause 12 which deals with the calculation of individual stabilization payments, or let him look at page 5405 of *Hansard* and read the tables which the hon. member for Timiskaming (Mr. Peters) put on record, and try to determine what this complicated equation is leading up to.

It is my contention that the bill should be subject to exhaustive study to determine whether it benefits Canada. I have no doubt at all that it will benefit the federal government. It will give them an excuse; it will not have to measure up to its moral obligation to look after the farmers should a calamity take place. It will give the salesmen a sense of added security to the extent that if they do not sell the crops, the farmers will not be on their backs so badly.

The minister will admit that there are years when we have not gone out and sold out crops. I rarely give the minister in charge of the Wheat Board a pat on the back; I rarely think he deserves it. But he was instrumental in selling barley a few years ago. Mind you, Mr. Speaker, I think he sold it 50 cents too cheaply, so his intervention was really costly for the western farmer. But he knows what I am talking about when I say this bill will encourage the complacency which salesmen are inclined to feel when they are not obliged to make sales; and as a western farmer, I do not want my salesmen to feel such complacency—I want them to know that they have to sell, sell, sell. Also, as a taxpayer, I do not want the government to feel that it can avoid the moral obligation of aiding a region which has been beset by calamity or disaster.

The bill takes the place of two legislative enactments, one of which is the Prairie Farm Assistance Act. Prairie farm assistance payments would be applicable where there was a township with crops below an eight bushel average, but anything less than a township did not qualify. Finally, this was broken down to half a township, 18 sections, because they found out there were many pockets within a township that could not get a payment. Eighteen sections turned out to be too big a block and this was broken down further to 12 sections.

● (1440)

This bill deals with the whole of the prairie region right from the Ontario side of the Manitoba border clean through to the interior of British Columbia. Anyone who is seriously concerned with the plight of agriculture and the farmers, in view of past experiences with PFAA which this bill replaces, will realize that the bill will not apply one year in 20, and that it is no good. In 1971, passage of a bill similar to this through the House of Commons was prevented. This is a long story which other members have gone into, so I shall not do so; but its passage was prevented because the government of that day had broken the law. I am not going to make any wild accusations; the Prime Minister of that day admitted publicly that the government had broken the law. It just happens that the Prime Minister of that day is the Prime Minister today. The Minister of Justice, whose legislation broke the law in 1971, is today now trying to get through the House an even more complicated bill.

[Mr. Gillies.]

If there are some members on this side of the House who are slightly suspicious, can you fault them for that, Madam Speaker? I think the track record of this kind of legislation in the House of Commons bears very careful examination. For example, it is not regional enough. The equation relating to the accountable year is, in my opinion, inadequate. One simple change that could be made, if the government insists on this salve for their conscience, is to allow a producer to take the best three years out of the last five, rather than to insist on the last three absolutely in equating what payment will be made to him.

It is often said of some of the dryer parts of western Canada that crop cycles come once in seven years. Some people even say once every ten years. I would not like to see dry conditions for seven years, but I suggest that there are many parts of the prairies that could easily have seven years of dry conditions. Certainly, they can have three years of dry conditions. I can go back to recent history and recall that the years 1961, 1962 and 1963 were poor years. The year 1964 was not much better, and crop production improved a little in 1965.

If this simple change of letting a producer take the best three years out of the last five in equating his payment were made, it would allow some tolerance to take into consideration drought conditions from which particularly young farmers might suffer. It would not make any difference to a large, well established farmer because more than likely he has been able to build up the reserves on his farm and his sales will show greater continuity than is the case with a young farmer who is just starting out. So although my proposal would not affect, either plus or minus, large farmers, it may well be of benefit to small producers who have to sell every year and thus cannot build up any reserves.

Talking of building up reserves, it is of interest to note conditions today on the prairies. The Wheat Board has stated that on May 15 it is closing out all delivery permits for wheat. That is, at best, a threat. Why is the Wheat Board doing this, Madam Speaker? It is because 30 to 40 per cent of the grain is still on the farms and the farmers do not appear to be in any rush to deliver it. They are busy with seeding problems, road conditions, bans on roads, and the Wheat Board has commitments to meet and wants grain delivered.

I point this out merely to prove beyond a shadow of doubt to any of the non-farmers in the House this afternoon that it is accustomed practice for a well established farmer to build up the reserves on his farm, whereas a young farmer does not have that opportunity. He has a capital debt to meet, a family to raise and feed, and machinery to buy and pay for. He is the person we should be encouraging today, and this bill does not encourage him enough.

I trust this bill will be very thoroughly examined, with every opportunity given to witnesses to appear before the committee so the farm organizations and indeed the farmers themselves are made aware of its exact implications. I say that in view of the cut-off date of January 1, 1978. If you do not voluntarily come into the plan before 1978, under clause 16 of the bill you have to write to the minister and get his permission to come into the plan.

If I were a young farmer today who was starting out, I would see no security in the bill or any income stability either, and I would not be keen to join this plan. However, 15 years from now when I had built up my farm I might well think the measure would give me a little stability and that I should join it. But then I would have to have the approval of the Minister of Justice, and the Minister of Justice might well look up my track record and say, "That fellow's name is associated with an old political family of a different stripe from mine, and I am not going to let him come into the plan". As I read clause 16, I cannot qualify for the plan unless I do so before 1978; otherwise it would be a matter for the minister's prerogative. While he has been Minister of Justice, the minister's prerogative in many cases has not gone beyond his own personal feelings. I am sure, Madam Speaker, you recognize that, being a woman and knowing something about women's groups bringing problems before the Minister of Justice at the present time. They feel that his own personal opinion is interfering with his reason and logic. I, as a wheat farmer, might well suspect that his own personal political views might keep young farmers who do not join this plan before 1978 from joining it afterwards.

Mr. Gillies: Shades of Jimmy Gardiner.

Mr. Horner: I think the hon. member is right—shades of Jimmy Gardiner. I think Jimmy Gardiner was a great westerner who did his best for western agriculture. But in doing so he attempted to gerrymander nearly every seat in Saskatchewan for his own political benefit. The point I am making, Madam Speaker, is this: in view of this provision about joining the plan before 1978, and in view of the complications of this bill, I think parliament would be very remiss if it were to pass the bill speedily. If the bill goes to committee, we would be very remiss if we did not spend a lot of time examining the bill thoroughly.

● (1450)

I have noted that some members advocate that the committee should travel. I am not one to suggest that members of parliament should go on junkets across the country, but I do know that some of these trips can be very beneficial. There is nothing like moving into a city where there is knowledge of the subject matter you are going to discuss and confronting the people there with the problems at the time of the committee's visit. That happened in respect of Bill C-176: I was delighted by the educational program the members of that committee undertook in respect of Bill C-176, and I was delighted by the desire of the people to participate in the discussions.

This bill is far more complicated. I know it pertains only to the Wheat Board region, but a committee travelling in that region would meet very knowledgeable and concerned audiences who I am sure would want to present briefs to the committee so that members might better understand this bill and the problems on the prairies.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, when the minister responsible for the Wheat Board introduced this legislation at the second reading stage on April 28, he engaged in an historic review of recent events in dealing with agricultural problems. He took us back as far as 1968 and told us about the wonderful things that had taken place since then. Let me read one of the things he said, as recorded in *Hansard* of that day:

> The consumers in this country are of course extremely interested in the production of grain.

I should like to begin my remarks by adding to that statement of the minister that the producers of Canada are also very interested in the production of grain. One of the omissions in the minister's historic review was the Lower Inventory for Tomorrow program which was introduced during the period to which the minister referred. The farmers on the prairies, who above all else want to produce grain to feed the hungry millions of the world, immediately dubbed that the "lower income for tomorrow" program, because it was absolutely inconceivable to them that a minister who had been given responsibility for the welfare of the grain producers in western Canada should have deliberately brought in a program designed to curb the capacity of western grain producers to do that which they know how to do best.

I do not know why the minister did not include a reference to that in his historic review, because I think that is one of the major facts of agricultural life in western Canada, or was during that period. I think it is also one of the reasons there has been growing instability in the prairie farm economy.

Shortly after the introduction of the LIFT program, the export market improved dramatically and, of course, the minister and the government took full credit for the booming market, completely oblivious of the fact that they had failed completely to anticipate it and had deliberately attempted to get wheat growers out of the wheat growing business.

The fact of life in terms of world food is that there is always a market for food and for grain which can never be met by our present productive capacity and techniques. This is the theme the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) has hammered on from time immemorial. When you have over half the world's population starving, there is obviously a need for Canadian production of all the grain it is possible to produce. It was this constant demand for grain, combined with growing famine, that brought about the booming exports to which the minister referred during his historic review.

There was also another interesting omission from the minister's remarks. He neglected to indicate that, currently, exports of grain are at a five-year low. This does not mean the market is not there. Canada, particularly the western part, has an obligation to meet the demands of the growing world market for foodstuffs.

The Minister of Justice (Mr. Lang) who is responsible for the Wheat Board, and the Minister of Agriculture (Mr. Whelan), have been out on the hustings during recent days. This is always an indication of something going badly awry with the dialogue between farm producers of western Canada and the Government of Canada. Even though the minister responsible for the Wheat Board suggested in his presentation of this legislation that it had been warmly received by the producers in the west, the fact that both he and his colleague have been out on the hustings is an indication that they are getting a different message from the grassroots producer.

The Minister of Agriculture was out in the west last weekend and a headline appeared in the Brandon *Sun*, that great journal, on Monday, April 28, as follows: "Whelan says opposition delaying farm legislation".

Some hon. Members: Hear, hear!

Mr. Dinsdale: Under that heading and the byline of Garth Stouffer, who is the associate editor of the Brandon *Sun* and a man very knowledgeable of agricultural matters, we find these words:

Arguing that opposition members of the House of Commons are afraid Liberal farm legislation might be "too good" and denouncing the media and others who made large of the egg scandal of last summer, Hon. Eugene Whelan rode through rainy Manitoba on Saturday praising farmers and calling on the rest of Canadian society to match the efficiency and productivity of the people on the land.

"If all other walks of life were as efficient (as producers) as the farmer," he told a meeting in the high school auditorium at Minnedosa, "there would be no inflation today."

He went on in like vein, telling the farmers what fine people they are. I think, in the words of Shakespeare, that he doth protest too much. When you see that sort of approach being made to the farmers, it is an indication that there is something badly amiss in communication between the government and farm producers.

● (1500)

The report goes on to stress in the following terms the fact that the minister was exceptionally cordial in trying to win friends and influence people:

About 45 minutes late for the meeting at Minnedosa, Mr. Whelan made up for his tardiness by standing outside the gym door after his address, shaking hands with most of the 200 who listened to him, in somewhat the manner of the parson saying goodbye to his parishioners on a Sunday.

Perhaps we could have added somewhat like the politician who shakes hands to win friends and influence people. The story says that he went further:

In addition to just shaking hands, the plain-spoken farmer who represents the urban riding of Windsor, also answered questions.

In fact, when particularly challenging arguments were thrown his way, Eugene Whelan appeared willing to spend the rest of the afternoon in man-to-man debate—

He really wanted to get his point home to each individual farmer.

—but his aides—who knew he had to return to Brandon, to catch a government jet for a trip to Portage la Prairie and then drive to an agricultural society meeting at Macgregor—urged him along to the front door and into a car for the trip south from Minnedosa.

What I want to stress here is the point that was repeated in the headline, "Whelan says opposition delaying farm legislation". In specific terms this is how he put it during his speech:

'The House is not moving on legislation as fast as possible,' he told the meeting, referring to legislation designed to set up an income guarantee subsidy program for agricultural producers and legislation designed to make for easier access into agriculture for young people, through changes in farm credit.

'It is taking too long,' he said. 'I feel there are people in the House of Commons—on the other side—who are afraid the legislation will be too good . . . not that it will not be good enough . . . and because they feel it will be too good they are holding it up so they can blame the minister of agriculture.'

[Mr. Dinsdale.]

As a matter of fact we are not blaming the Minister of Agriculture this afternoon. We are blaming the Minister of Justice who has some responsibility for the Canadian Wheat Board. It is passing strange to me that the Minister of Agriculture should be carrying the torch on the hustings for this legislation that is now being debated in the House of Commons when he has absolutely no responsibility for carrying that legislation through the House of Commons.

Incidentally the headline in the Brandon Sun is very similar to a press release by the minister responsible for the Canadian Wheat Board when he ran into difficulty with the predecessor to this legislation in his attempt to stabilize paririe farm incomes. On May 7, 1971, the hon. gentleman issued a press release in which he said that the opposition was holding up that valuable piece of legislation. It sounds like the same old record, over and over again.

The minister was doing this even though it was becoming abundantly clear that the bill would subsidize the incomes of prairie producers at the poverty level. As a result of the debate in the House of Commons, and as a result of the strong and growing protests from the producers that bill finally was withdrawn, and now some four years later it is turning up in a slightly modified form. Again the grain producers of western Canada are beginning to respond and point out some of the weaknesses in the legislation.

I think it is important that an extended debate be held in this House of Commons so that ultimately the producers will be able to make a judgment concerning whether this legislation does in fact do what it is purported to do rather than stabilize, as was the case in the former legislation, the income of prairie producers at the poverty level. I say the fact that the two ministers who are closely involved with agricultural matters have taken to the hustings is an indication that they are receiving a message somewhat similar to that which came from the farmers and producers back in 1970 and 1971.

I mentioned the appearance on the hustings of the Minister of Agriculture. The minister responsible for the Canadian Wheat Board was in the same area about five days earlier. I guess he was the John the Baptist announcing the coming of the Minister of Agriculture. Actually it is the Minister of Agriculture who should have responsibility for these matters. Not only should he be discussing them on the hustings among the farm community and attempting to unload the propaganda—and I use the word "unload" for obvious reasons—that this legislation is being delayed in the House of Commons, he should be carrying the legislation here in the House of Commons, because essentially it is a problem which comes under the jurisdiction of the Department of Agriculture and the Minister of Agriculture. The fact that it has been carried by the Minister of Justice who has some responsibility for the Canadian Wheat Board is an indication of how confused the government approach is to agricultural matters. I shall deal with that in greater detail in a moment.

In this bill the line of demarcation is made crystal clear, even though it is confusing here in the House of Commons. The minister responsible for the Canadian Wheat Board was at a meeting in Brandon at which he dealt

exclusively with his area of responsibility, which is transportation and grain handling. As I read the report, again published in the Brandon *Sun* of April 23, under the byline of Mr. Garth Stouffer, there is not one reference to the stabilization bill which is now before the House of Commons, and which was introduced for second reading by the minister responsible for the Canadian Wheat Board following his return from the hustings.

I wonder why the government does not recognize that, at long last, if it is to get its agricultural house in order it must make clear lines of delineation and demarcation concerning areas of responsibility. If it sends the Minister of Agriculture out to the hustings to discuss the western grain stabilization bill it must give that same hon. gentleman the responsibility of piloting that legislation in the House of Commons, and also of administering it under the jurisdiction of the Department of Agriculture.

As an indication of how the jurisdictional lines and the area of responsibility are being obscured in the government's approach to these matters, we might look at the responsibilities of the minister who administers the Canadian Wheat Board under the Canadian Wheat Board Act. He has, exclusively, a marketing role and has nothing to do with helping grain farmers maintain their income. The Canadian Wheat Board Act, Part I section 4, states as follows:

● (1510)

The Board is incorporated with the object of marketing in an orderly manner, in interprovincial and export trade, grain grown in Canada, and possesses the following powers:

(a) to buy, take delivery of, store, transfer, sell, ship or otherwise dispose of grain;

(b) to enter into contracts or agreements for the purchase, sale, handling—

(c) to enter into ordinary commercial banking arrangements—

(d) to acquire, hold and dispose of real and personal property—

(e) to employ such technical, professional or other officers, clerks or employees as may be necessary—

(f) to establish branches—

There is nothing there about the area of responsibility that the minister responsible for the Wheat Board has assumed in conducting this bill through the House of Commons. If we are really going to come to grips with the long delayed programs for agriculture, Madam Speaker, the government must decide once and for all where the responsibility lies.

In his historic review the minister spoke as if everything wonderful had happened since 1968, but I should like to remind him that some of the programs he referred to came before 1968 under an administration that was closely geared and sensitive to the needs of the agricultural industry. I mention cash advances, ARDA, crop insurance, improvements to PFAA legislation, the pioneer bill in price stabilization for agriculture, the Farm Credit Corporation, and many other pieces of legislation which are now in need of up-grading but were not introduced by the present government.

I was pleased to learn that a former federal civil servant who has spent some years in Manitoba will return to Ottawa to look after the Farm Credit Corporation. I refer to Mr. Baldur Kristjanson who has had considerable experience in agricultural problems and understands them. I am sure he will be able to make a positive contribution toward resolving some of the all too obvious problems of the agricultural industry.

Perhaps I can relate some of the problems of the present bill to those of the bill that was first introduced in 1971. The matter of compulsory membership was one of the points in the earlier bill that was criticized. That bill made it compulsory for farmers to join the program, and the present bill seems to be disguised to give the appearance that the plan is voluntary. In effect, however, it is compulsory to an extent for some producers. It also discriminates against one particular group of producers by making it compulsory for them to join.

Under clause 5 (1) of the bill a person who is an eligible active producer, that is, a producer actually working on the land, as opposed to a producer recorded in a permit book who is a landlord or who holds a mortgage on land, of a producer, will, at the time the act comes into force, have three years to decide to cease participating under the act. Thus, between 1975 and 1978 a producer may elect to withdraw from the plan.

On December 4, 1974, the minister responsible for the Wheat Board issued a press release in regard to the stabilization plan. On page seven of that press release the title reads: "Participation Voluntary" and the release states that no farmer will be forced to participate in the plan.

I believe the minister is incorrect when he says that participation is voluntary. The dictionary definition of voluntary is that it is something brought about by one's own free will or choice. It is obvious that a producer does not have the luxury of free will or choice if a time limit of three years is imposed. Voluntary withdrawal from the plan should mean that at any time a producer can decide to abandon it. The minister's view of voluntary withdrawal as indicated in his press release is couched in terms of a restricting time period.

We had some acquaintance with the minister's press releases when he was piloting the earlier bill through the House. In reply to the accusation that we are delaying this legislation and all the wonderful farm legislation that the minister has in store for farmers in Canada, I would point to the minister's interjection in the speech made by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) in debate yesterday, as recorded at page 5383 of *Hansard*.

The hon. member for Saskatoon-Biggar referred to the press release issued by the minister responsible for the Wheat Board, which had said that the legislation would be introduced within seven days. The minister interjected as follows:

Would the hon. member permit a question? I should like to ask whether he is aware that the reason for the delay in the introduction of the bill was the extensive consultations which were going on with the various farm organizations and our desire to incorporate positive suggestions into the bill. I hope the hon. member agrees that this was a desirable thing to do.

I hope the minister responsible for the Wheat Board will communicate that information to the Minister of Agriculture who just a week ago on the hustings was trying to blame the delay on members of the opposition. But here we have the minister responsible saying that the delay

was deliberately engineered so that they could have closer consultation.

Mr. Lang: But that was a reasonable time; this is just a filibuster.

Mr. Dinsdale: Everything the government does is reasonable—in its eyes alone. We leave the decision in this regard to the people of Western Canada who have demonstrated in no uncertain terms how they feel about the government's circumlocution in this respect.

● (1520)

In view of the matter I was discussing with respect to compulsory membership, I hope that not only will the ministers responsible go out and communicate with producers, but also when this legislation gets to the committee stage that there will be some direct consultation between the committee in the field and farmer producers of western provinces, because this was one of the major issues the last time the matter of compulsory membership came up, and it is still not completely clarified in the legislation as it has been reintroduced.

I wish to deal with another matter which should be brought to the attention of farmers of Canada as they contemplate this bill—it has already been said that this is a very complex bill—and that is the problem of regionalization. Several hon. members have referred to it, and because it has already been discussed I can be brief in my treatment of this subject. It is one of the major objections to the bill, and it is a carryover from the 1971 legislation.

This is one of the objections which forced the government to withdraw the bill in 1971, after the minister responsible for the Wheat Board indicated that it was great legislation and that the members of the opposition were negligent in their duty if they did not allow its quick passage through the House.

As I read the new legislation, payment to producers will only take place if the totality of the prairie provinces suffers from severe crop damage or depressed markets. The lumping of Manitoba, Saskatchewan, Alberta and some parts of British Columbia prevents an individual producer or localized region within a province from obtaining compensation if crop damage occurs. The minister has responded to this criticism by saying that the plan is not a form of insurance, but is a stabilization program. In the *Globe and Mail* of December 7, 1974, it was reported that the minister said at a press conference that he would propose continued study to see whether more regionalization could be put into the program. He added that too much regionalization, however, would make the plan little more than normal crop insurance.

Some hon. members have put forward the suggestion during this debate that perhaps this would be a more effective approach to the problem, and certainly that is an issue which can only be resolved by direct consultation with farmers. As reported in the *Globe and Mail* on December 7, the minister said, that this is not a crop insurance scheme, and that it is meant very much to complement existing insurance schemes.

Because this aspect of the bill is of great importance I feel that the minister should confirm in the House if his proposal for a study into regionalization of the legislation has been initiated and, if so, when this study will be tabled or, possibly, presented to committee. Perhaps we will hear spokesmen from the government side who can respond to that point this afternoon. The government has been strangely silent in the House during this debate. It does not have much support in western Canada, that is true, but I think it has an obligation to speak in this House as well as on the hustings, as has been the case for the past few weeks.

Some departmental officials have stated that serious and frequent meetings took place among producer groups, bureaucrats, and government officials before the final drafting of the bill was completed. Also, localization of the stabilization program was a contentious issue in 1970, and it seems that the minister is responding too little and too late to this problem. Only after the bill was tabled in the House for first reading did the minister announce a proposal to study regionalization of the legislation.

These are just two examples of the kind of criticism which can be directed at the bill. It is similar to criticism which came forward in growing crescendo as the debate proceeded back in 1971. At that time spokesmen for the government complained that opposition members from western Canada were conducting a filibuster. We are hearing the same comments today. It is not a filibuster at all. We are pointing out specific problems in the proposed legislation as it is now enshrined in Bill C-41, and I suggest that it is incumbent upon the government to respond to those specific observations rather than just to make blanket charges as it is doing on the hustings. There have been some rumblings about it this afternoon, but in the main charges that opposition members are delaying the progress of this legislation have been made on the hustings. The government claims that this bill is so good that it would immediately establish the government's reputation once and for all in western Canada. That, of course, is patent nonsense.

The last word I want to say at this stage is that when the bill goes to committee there should be a dialogue, not only between the government and the people and between the bureaucrats and the people, but also between the elected representatives of the farmers serving on the agricultural committee and the people, so that we can deal with some of the obvious weaknesses, and many of the hidden weaknesses which can only appear as the debate on the subject continues.

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, I am delighted to take part in this debate. It was my privilege to be in my riding for most of last week and I had an opportunity to discuss with feed grain producers and wheat grain producers some of the aspects of this bill and Bill C-50, which is still at committee stage, and is the responsibility of the Minister of Agriculture (Mr. Whelan).

I will refer to some of the comments and reactions of my constituents, but I want to start out by reading what I think is the best one liner which presently describes this most important new bill. It is taken from the February 1 issue of the "Rural Councillor", which is the official publication of the Saskatchewan Association of Rural Municipalities. Anyone from the west knows that that is a very

influential and auspicious organization, for which there is no counterpart in Alberta or some of the other provinces. It is unique to Saskatchewan. Most of its pronouncements are worth reading and listening to.

I think it is worthwhile repeating in this debate how the Saskatchewan Association of Rural Municipalities described this bill:

> Whenever the net cash flow from grain sales drops below the previous five-year average, the fund will trigger a payment large enough to keep the total flow to the prairies of net cash from grain sales at the five-year average. Each participating producer will share in the payment in the ratio of his contributions in the current three-year period (the current year plus the previous two) to the total contributions of all participating producers.

I am sure all of us will admit that this is a very complicated bill and that it introduces formulae which will scare most farmers to death when trying to understand them, but I think the above quotation is a pretty concise statement of the intent of the bill. Certainly the bill's title is simple enough and gives no hint of the complicated formulae which are an integral part of it. Nevertheless, it is useful to ask what are the intentions of the bill.

● (1530)

I think it is appropriate to go back in history and comment on the first prairie grain stabilization bill introduced in 1970, and debated in 1971. Incidentally it was introduced by the same minister responsible for the Canadian Wheat Board. I hasten to point out that I was not a member of the House then, but was keenly aware of the controversy surrounding the bill because of the personal involvement of my predecessor from the Medicine Hat constituency, the former minister of agriculture. That first attempt at grain stabilization, as we know, was withdrawn at the second reading stage. It is fair to ask why. Perhaps we can learn a lesson from history, now that we are debating the same topic five years later.

It seems to me that the first and foremost reason was that there had been a lack of meaningful communication with prairie grain producers—I am not speaking of grain producers' organizations such as the Canadian Federation of Agriculture, the wheat pools, the National Farmers' Union and other provincial grain organizations, although I am sure their views were made loudly known. I am speaking about individual grain producers. I suggest there was a lack of communication with individual grain growers. There was no opportunity to meet them at public meetings, which should have been held in farm communities, to enable those in authority to hear some genuine discussion regarding the bill which was proposed some five years ago.

There were some other drawbacks. The compulsory aspects of that first bill must have been a real factor in the opposition of farmers to the bill. Originally farmers were to be compelled to join the scheme. That, at any rate, was the proposal. In addition, the bill was not to be regional in application; it did not take into account crop failures arising from drought, for example.

If this new bill is to gain widespread support in this House and on the part of farmers, we should learn from our experiences and the lessons of history which show why the first prairie grain stabilization bill of five years ago was not acceptable. I suggest that our first responsibility is to take the bill to the farmers. We cannot expect them to come to Ottawa and appear before our standing committee. I know that various farm organizations will indeed be in Ottawa. They have been here recently, making representations on Bill C-50, the agricultural stabilization bill. But that is not enough. You cannot expect individual farmers to come here and tell it "like it is", in their own words. It is right and proper for various farm organizations to come here but, as I say, that is not good enough. There should also be provision for public meetings at which an issue as important as this can be discussed.

I spoke about my chief concern relating to the new bill. I am concerned because in the bill there is lack of provision for a regional approach to problems. Surely this is necessary, despite obvious administrative difficulties which a regional approach may entail. I make this point even though some, probably the minister included, will argue that this aspect can be covered with crop insurance.

Why do I feel so strongly about the need for a regional approach? Let me tell the House a story relating to my constituency in southeastern Alberta. What I will say will apply as well to southwestern Saskatchewan, as both areas are in the same geographic weather belt. Without question, the No. 1 hazard in the area is not grasshoppers, is not hail, is not frost;—

Mr. Benjamin: It is Liberals.

Mr. Hargrave: —is not insects; it is drought. Drought is an occupational hazard which has been with us ever since the first sod was turned. Like it or not, that corner of southeastern Alberta and southwestern Saskatchewan is known as the drought belt of Canada. Medicine Hat is often called the drought capital of Canada.

Let me tell an interesting story which members may want to hear. Many years ago the late Professor Evan Hardy was Professor of Agricultural Engineering at the University of Saskatchewan and I well remember how he said, in his large booming voice, why he came to the prairies from Iowa, his native state. He told the class that one day he had seen the map of North America, and across the southern portion of the prairies, where Canada is, was written the expression, "The Great American Desert." Obviously it was an old map; it may have been patterned after Palliser's work; I don't know. He said, "I must go and see the great American desert." So he visited the southern prairies and he said he was right under the "D" in the desert marked on the map. The way he told the story I have never forgotten. For those who live in the area, drought is an occupational hazard. In many respects we live in the great American desert and we are right under the "D".

I suggest that there is a connection between the hazards of grain growing in my area and conditions which give rise to the short grass ranching country in that same area. This is an area in which we produce cattle, because it is dry and semi-arid. If we had four or five inches more precipitation and ten inches less evaporation, we would be growing grain everywhere except where it is too rough. Grain growers face an extra hazard, in that spring seed bed cultivation and preparation brings about a severe loss of soil moisture, a loss that is not duplicated in the production of our native grass crop, a crop that in many years is

produced almost totally from snow moisture, or late fall moisture from the previous year. True, we face risks of hail and frost, but these risks are minor compared with that of drought. These risks have been somewhat alleviated in recent years by various forms of technology. I am thinking particularly of the use of herbicides, much better mechanical cultivation, seeding and harvesting equipment, and of the benefits of large-scale farming. The fact remains that drought is still our No. 1 problem. I suggest that is why some regional concept ought to be introduced in this bill.

Although we face the problem of drought, we enjoy the benefits of our chinook winds in the winter. They give us the chance to graze our cattle outside for much of the winter. Those chinook winds, of course, bring about a fantastically high evaporation rate. The evaporation rate from water surfaces of sloughs, dams, and other water basins in the area is between 36 and 44 inches per year. That is the effect of these intensely hot winds. They dry up the moisture. That evaporation rate is equal to four times our normal total precipitation per year, which is between ten and 12 inches. That precipitation includes both rain and the snow equivalent.

It is important to appreciate the background for my concern. That is why I have just told the House this little story. Let me now digress again and make some more comments about the short grass ranching country.

● (1540)

The short grass ranching country, that semi-arid country for grain growing, is the original home on the prairies of the museum piece, the grain header. That was a very special harvesting machine that was designed to cut grain almost at ground level. It was designed for that area because the grain never grew tall enough to harvest with the traditional grain binder or the combine that came into use later.

The grain header, which was pushed by horses, was unique. It simply clipped off the heads, sometimes with stubble no more than one and a half or two inches tall, collected it in a header box pulled by horses, dumped it into piles, and so on. It was a great feat for a teamster to drive the six or eight horses which pushed the machine, at the same time steering it by means of a paddle in between the teamster's knees. That was a unique approach to that semi-arid short grass country that I represent.

I want to make a brief comment about the weather, as it is now a current topic of some considerable interest in hat part of the country. Until the third week in March we had one of the mildest and driest winters that I can remember. There were no severe snowstorms. We had very little snow. There was not enough moisture in the soil to freeze. It was a very pleasant winter to farm and run cattle. In effect we had a winter drought. That is not unusual in our area.

By mid-March there was absolutely no moisture in the soil. The ground was not frozen as there was nothing to freeze. The run-off from the snow, what little there was, was almost over. Conditions were so dry I estimated that approximately 75 per cent of my range for my cattle would not even germinate and turn green. That is a rather extreme condition. I suggest it was as severe as the years 1936, 1973, and 1938, the low point of the thirties.

In the past six to seven weeks, some time after March 20 until at least yesterday, we had a fantastic amount of snow in the form of spring blizzards and rain. At one point we had between three and five feet of heavy wet snow in the area adjacent to the Cypress Hills. Most of that snow moisture has already soaked into the top soil. Very little has run off. We now have some grass and there are extremely good prospects because of these conditions.

In a period of six weeks we moved from a condition of extreme drought to one of well above average moisture. Our conditions are now such that we have enough moisture to grow a whole crop of native grass to produce the necessary feed, hay, feed grains and so on. However, one fact remains. Our growing season is almost one full month short.

There have been some serious new calf losses from exposure to the storm and calf scours. Even some mature cattle were killed in that storm in the Cypress Hills. However, on balance it was a good snowstorm in that it will do many, many times more good than the losses it caused because of its severity.

I come back to the bill to make a few further comments. There are some fundamental considerations we should note of when debating this bill. First, there is no question that both stabilization bills, Bill C-41 and Bill C-50, would me much better for all concerned if they were under one minister. It is the Minister of Agriculture (Mr. Whelan) who is responsible for ensuring that the farmers and producers will obtain a reasonable income from their operations. It is the Minister of Justice (Mr. Lang) who is responsible for this agricultural stabilization bill. Whether we agree or not, I am sure there are interlocking features in those two bills and it would be much better if they were under one minister.

I suggest there should be no limitation on size with respect to grain producers either as to acres, bushels, or dollars. By putting on a limitation we are inviting production inefficiencies. The $25,000 eligibility level is too low, especially with today's high grain prices. This figure no longer represents a large prairie grain farm.

As the Canadian Federation of Agriculture brief on this bill points out, the plan seems to reward good fortune or good luck, and penalizes misfortune or bad luck. The prime example of bad luck is the drought hazard.

It is fundamental that governments cannot treat one agricultural commodity different from another, particularly when the commodities concerned are those of surplus producers who depend on exports to market their surplus produce. That is fundamental. It applies to grain, cattle, and even potatoes. We are involved in an export of our surplus. It is fundamental that the stabilization approach for different commodities across Canada must be reasonably the same.

The voluntary aspects of this bill or the lack of them are of serious concern to us. In this bill it starts out with a voluntary approach, and reverts to compulsory participation later. If the plan is as good as the minister feels it is then surely it will sell itself, especially with the two to one

financing ratio involving the government and the taxpayers' money. Why is the compulsory feature necessary?

The various formulae required will be a major factor in selling the bill to farmers. Can it really be explained to farmers? Will the bookkeeping requirements be so immense that farmers will give up before getting started? The requirements are a bit scarey to me. What bothers the farmer is not so much the detail of keeping his books, but the matter of personal liberty infringement. No matter how often you assure the farmer that his books are not for public inspection and that no other use will be made of them, he is inherently suspicious of what use might be made of those records that he is required to keep.

One other failing relates to the producer of feed grains who is feeding them to his own cattle or hogs. Up until this time there is no provision for these grains to be included for the contributions. This feature is reported to be taken care of in the livestock stabilization plan, but so far I am not aware of this provision being allowed. This surely must be recognized. We must realize what a high percentage of feed grains are fed right on the farm and never go through the formal market, or a formal pricing agency on the prairies.

● (1550)

In concluding these remarks I should like once again to refer to two aspects which are of particular importance to me as the representative for Medicine Hat. First, I would stress the need for more attention to be given to the recognition of the hazard of drought. Some form of regional approach is obviously required. It has become evident that crop insurance is not the answer in the case of farmers who are exposed to extreme drought hazards. The premiums necessary to insure against them are so high that farmers would prefer to accept the risk.

The other point I want to emphasize is that surely the topic we are debating today, along with the agriculture stabilization bill presently in committee, should be taken to the farmers in the Wheat Board area of western Canada. Farmers should be allowed to appear in person, or through smaller organizations attend public meetings, hear explanations, and tell it like it is.

The Acting Speaker (Mrs. Morin): The hon. member for Grenville-Carleton.

Mr. Lang: Well, well!

An hon. Member: Farming in the Green Belt!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have listened carefully to the debate in the last two days, and I hope the cries of derision when a member from Ontario stands up to discuss a bill which relates basically to western agriculture do not indicate that those members concerned, who come from various parts of the country, feel in their hearts that the prosperity of western farming has nothing to do with the prosperity of our country as a whole. I believe, as do many other people, whether they are directly connected with the industry or not, that agriculture is of the greatest importance to the future of our country and, indeed, to the future of the world.

What could be more important than the continuance in the bread basket of the world, of which Canada is one, of a strong and progressive grain growing capacity? The debate ought not to be limited, in my judgment, to those who have the honour to represent wheat producing areas. There is nothing which happens in the agricultural industry which, ultimately, does not affect us all.

We all know this to be true in the case of the oil industry whose affairs have occupied the House lately for a good many days. Attention is now being drawn to the natural gas industry, because suddenly what we have regarded for so long as an inexpensive fuel is becoming an expensive fuel for us. So we realize that what happens in one part of the country can deeply affect the lifestyle, the quality of life, and industrial progress in other parts of the nation.

Sometimes it seems to me that a failing among Canadians is the tendency to think too much along regional lines when we ought to be thinking of the nation as a whole. When I listen to my hon. friend from Medicine Hat, my hon. friend from Crowfoot, and others, and even to members on the other side when they decide to speak on agriculture from time to time, I do so with great respect because the agricultural industry is the foundation stone of progress in this country.

We are dealing today with a complicated piece of legislation. When I considered speaking on this bill I read it through from one end to the other and, having done so, I must say I shared the view expressed by my hon. friend from Don Valley that it is one of the most difficult bills with which we have been faced in the thirtieth parliament. This does not surprise me very much because its proponent is one of the most complicated and difficult ministers we have faced in this parliament.

I am sure that something as fundamental as this could not possibly be done in a more complicated way unless, instead of one lawyer looking after wheat in Canada there were two. It is an interesting thing—when you bring together a lawyer, a former law school dean, a Queen's Counsel, a Minister of Justice and put a plough in his hands, he does not know how to run it. The great difficulty he will encounter with respect to this bill will be to explain it to the agricultural community.

If the laws of the country are to mean anything, they should be understandable by the person who is engaged in the field. This applies equally to the thrust of government policy—not necessarily understandable by the druggist or by the teacher, but certainly by the farmer—and here I am thinking specifically of the bill before us. I am beginning to wonder whether the minister, with all his reputed wisdom, took this into due account and whether, with all his skills, he is likely to be able to establish in the minds of those who are intimately engaged in agriculture what this bill means, how it will operate, and what the benefits will be.

May I call it four o'clock, Madam Speaker?

[*Translation*]

The Acting Speaker (Mrs. Morin): It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, and private bills.

Order of Business

PRIVATE MEMBERS' MOTIONS

[*English*]

ORDER OF BUSINESS

The Acting Speaker (Mrs. Morin): Notice of Motion No. 2. The hon. member for Hamilton West (Mr. Alexander).

Some hon. Members: Stand.

Mr. Herbert: No.

Mr. Sharp: At the request of the government.

The Acting Speaker (Mrs. Morin): The motion stands at the request of the government.

Notice of motion No. 15. The hon. member for Hamilton-Wentworth (Mr. O'Sullivan).

Shall the motion stand?

Mr. Herbert: No!

Mr. Sharp: At the request of the government.

The Acting Speaker (Mrs. Morin): Motion stands at the request of the government.

● (1600)

Notice of motion No. 19, the hon. member for Laprairie (Mr. Watson). Shall the motion stand?

Mr. Herbert: No.

Mr. Sharp: At the request of the government.

Motion stands.

The Acting Speaker (Mrs. Morin): Notice of motion No. 20, the right hon. member for Prince Albert (Mr. Diefenbaker). Shall the motion stand?

Mr. Herbert: No.

Mr. Sharp: At the request of the government.

Motion stands.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I just want to know whether we are in the House of Commons or looking in on a Liberal caucus?

The Acting Speaker (Mrs. Morin): Order, please. Notice of motion No. 28, the hon. member for Parkdale (Mr. Haidasz). Shall the motion stand?

Mr. Herbert: No.

Mr. Sharp: At the request of the government.

Motion stands.

The Acting Speaker (Mrs. Morin): Notice of motion No. 29.

[The Acting Speaker (Mrs. Morin).]

PERPETUAL BONDS, 1936

SUGGESTED REDEMPTION BY GOVERNMENT

Mr. James Gillies (Don Valley) moved:

That, in the opinion of this House, the government should reconsider its decision not to redeem the 3 per cent perpetual bonds, issued in 1936, through a scheme whereby (a) original purchasers would receive full face value for their bonds (b) all other holders would receive payment for each bond according to the market price for the year in which the bond was purchased (c) that an immediate freeze be placed on the market value of the bonds to prevent speculation.

He said: Madam Speaker, since I first proposed this motion over a year ago the government has in fact put a redemption date on perpetual bonds, which will require me to make a slight change in my motion. However, it does not change the substance of the material I want to present today.

By way of introduction to this topic I would like to stress that my purpose here today is twofold. Under the strictest definition of parliamentary procedure I am here to exercise my option of introducing a private member's motion on perpetual bonds. But on a different level, and in a humanitarian spirit, I am here to do the government a great favour. I intend to give the government the opportunity to discredit its nationwide reputation for inaction by calling on it to rectify an injustice that has loomed too large for too long.

On March 18 of this year the Minister of Finance (Mr. Turner) announced that on September 15, 1996 that the $55 million worth of Government of Canada 3 per cent perpetual bonds will be redeemed at par. The minister went on to say that these perpetual bonds issued in 1936 are unique in the federal government's debt structure. They were a relatively small issue, they are rarely traded, and they represent a method of financing that has not been used by major western nations in the postwar period.

What that announcement failed to mention, of course, was the plight of many holders of perpetual bonds who would receive only a fraction of their original investment if necessity compelled them to dispose of their bonds before the 1996 maturity date. What that announcement further failed to mention was that the government has been in a legal position to pay back these bonds since September 15, 1966, but that it has refused to do so.

In copies of many letters which I have on file, the Minister of Finance has responded to the urgent inquiries of holders of these perpetual bonds by quoting cold, hard economic facts. Read in chronological order, the substance of these letters becomes oppressively repetitious. To those Canadians who are original holders, many of whom are old age pensioners living on embarrassingly modest incomes, the minister seems to have turned a stone ear.

Throughout the form letters sent to those who are anxiously awaiting some encouragement that their investments will be honoured, there is the frequent reference to "setting a dangerous precedent by agreeing to protect bond holders from the vagaries of the market". There is, too, the verbal shrug that tells these people they must have misunderstood the purpose and meaning of these perpetual bonds when they were first offered. They may have believed they were buying a retirement annuity, but that mistake has cost many people dearly.

The saga of these perpetual bonds tells its own story. In 1936 the government of this country placed an ad in the September 10 edition of the Toronto *Star* announcing a wonderful new concept in financing, which read in part:

No one has ever lost a dollar of principal or interest by investing in Dominion of Canada bonds. From the standpoint of security of principal and ready marketability, there is no type of security available in this country that can compare with these Dominion of Canada bonds. We recommend these bonds for investment. The yield, approximately 3.11 per cent, is an attractive one.

Put an advertisement like that in the context of the year 1936 and it is easy to understand why Mr. Mackenzie King's government would have sold a total bond issue of $55 million. These bonds were sold at a time when most Canadians had lost their savings to the depression. They were sold at a time when a worker making $50 a week was considered highly paid. These bond holders were sold on the idea that a government bond was the highest security you could possibly own. Think of the general mistrust that people held for banking institutions, and you can realize that even with bank interest paying out 3 per cent these people had no logical reason, except fear for their savings, to buy these perpetual bonds. They were putting their faith in this country's future at a time when such faith was an expensive and rare commodity.

What is the record, Madam Speaker? Current market prices for the bonds, which sold in 1936 for $96.50, stand at between $36 and $40 today. That, I remind you, is in terms of today's dollars, which compared to the dollars of the 1930's is something quite different. In 1936 $1 would pay for five pounds of sugar, one dozen eggs, one quart of milk, one pound of butter and a pound of high grade hamburger. If the government pays these bonds back in today's dollars, you might be able to see some change after a dozen eggs and a package of chewing gum. In the simplest of terms in which I can phrase it, I am asking the government to repay the original holders of these perpetual bonds without shrinking behind technicalities.

My motion No. 29 should be slightly changed to read as follows:

That, in the opinion of this House, the government should reconsider its decision to redeem the 3 per cent perpetual bonds issued in 1936 on September 15, 1996 and redeem them instead through a scheme whereby (a) original purchasers would receive full face value for their bonds immediately—

Then (b) and (c) remain in the same terms.

What we call for with this motion is the simple application of commonsense and justice. For the many original holders of these perpetual bonds, redemption in 1996 means nothing whatsoever. These people should be allowed to redeem these bonds right now so they can get their money when they need it.

In the past, members of this chamber, such as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the hon. member for York North (Mr. Danson), a representative from the Social Credit party, and myself have met with the Minister of Finance in order to try to get something done in terms of justice for these people who bought these bonds in 1936. We are not here to pave the way for speculators who could easily profit should the government decide to give blanket recall to this $55 million issue.

However, what should be remembered and never be forgotten is that many Canadians currently holding these perpetual bonds are senior citizens who must surely be bitter about sinking their hard earned money into an apparently lost cause. I urge the government to help dispel the feelings of these Canadians who must surely sense a certain hypocrisy on the part of the government which only last election promised to take better care of its senior citizens. Many of these people feel that if the government were in fact serious it would make these perpetual bonds redeemable at face value, not in 1996, when unfortunately many of them will certainly be dead, but now when they need the money so badly.

This surely becomes a matter that is more than just dollars and cents. It is simply a matter of justice, a matter of honour. Even with the March 18 announcement to redeem these perpetuals in 1996, there are many original holders of these bonds who not only feel cheated out of their money; they must also feel a little foolish for investing the fruits of their labours in such an obviously futile exercise.

● (1610)

Surely this is not the only means we have at hand to reward these senior citizens who have worked for years, played an active role in Canada's development, and who now deserve a fair measure of the life to which all Canadians are entitled. Is it in fact fair to throw back into their faces the years of productivity and faith which they gave unquestioningly to the Government of Canada, by refusing to help them in this way?

I feel certain that the government recognizes its obligation to those who cared enough to invest in their country's future in the depth of the depression of the 1930's to do something now to assist them in their present position of adversity.

I realize the complex problems and difficulties of a government commencing on a program of assuring the value of bonds in an inflationary situation, and all the difficulties this would bring about in terms of debt refinancing and management. What we are asking for is simply to recognize the importance of taking that small portion of the outstanding debt of the Government of Canada today out of its portfolio. It is a minuscule portion, practically nothing. It amounts to only $55 million out of the total portfolio. These bonds were sold to a great many Canadians who really believed they were buying security that they could use to help support them in their old age.

Three per cent perpetual bonds have no place in the portfolio of the Canadian government's bond holdings. I urge the government to take some action, in the name of justice and equity, without in any way upsetting the whole pattern of government financing, to remove these perpetual bonds from its holdings, thereby rewarding these people and allowing them to recover their investment of 1936 in the form of security. I am sure these would never be used today, and will probably never be used again. The government should get these out of its portfolio by allowing these people to redeem their bonds at face value. This will assist them to deal with the problems they face when living in this inflationary economy.

Perpetual Bonds

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, I listened very closely to the motion of the hon. member on the perpetual bonds, and was surprised to note, in the light of his statement, that his main arguments in support of the motion concern the protection of the senior citizens who bought those bonds in 1936. I shall come back to that aspect of his arguments shortly.

The government has always been concerned about ensuring, throughout the period of inflation we have known and unfortunately still persists, that our senior citizens have sufficient income to meet their needs with regard to housing as well as to current consumer goods. That aspect of his statement, if it were as solid as he endeavoured to prove, should suffice to convince the government to accept the motion he presented.

However, if we try to recall the situation when these bonds were issued in 1936, we realize that the situation was not exactly as he described it, and that the importance he gives to the quality of the holders of these perpetual bonds is not as crucial as he seems to suggest.

Before coming back to this aspect, I would like to remind the House that on March 18, 1975, the Minister of Finance (Mr. Turner) published a press release announcing that the $55 million of perpetual bonds of the Canadian government, which had been issued at 3 per cent, would be redeemable at par value on September 15, 1996. The Minister of Finance went on to say:

—that the perpetual bonds issued in 1936 were a unique form of financing in the debt structure of the federal government. In fact, it was a relatively small issue which resulted in few transactions. No other western industrial nation has used this method of financing since after the war. This decision to redeem the perpetual bonds on a precise date, thirty years after their maturity date, makes these bonds comparable to any other current bond issue of the Canadian government.

It is noteworthy to try to describe the political and economic situation of the period when these bonds were issued, and particularly to compare this with the situation in England at that time since the practise of issuing perpetual bonds in that country then seemed on the uprise. I will come back to this later by using a few figures to support my argument. In 1936, the Canadian government issued $55 million worth of perpetual bonds bearing interest at 3 per cent at a cost of $96.50. Those bonds, as I mentioned earlier, were perpetual. Consequently, they were eternal on the stock market and cannot be directly redeemed at maturity. This issue was offered either for cash payments or in exchange for some bonds which had reached maturity in 1936 and which had been issued for a 4-year period.

On the $55 million worth of bonds available, a number of bonds valued at $11.3 million were exchanged by bond holders, as I said earlier, whose bonds had reached maturity. Therefore, the people who have directly made some outlays and paid their bonds in cash in 1936 have bought $43 million in bonds.

According to original certificates, interest coupons should have been semi-annual and covered a period of 30 years, that is enough semi-annual coupons had been issued for 30 years, and the last of them was to become payable on September 15, 1966.

[Mr. Gillies.]

When those bonds were issued, their attraction on the Canadian market was strong enough since at that time they offered a fairly important yield, considering interest rates, all the more so as they had been widely distributed on the Canadian market. That was the first issue of perpetual bonds, and it aroused the interest of Canadian buyers so that an important section of Canadian investors decided at the time to invest in those bonds.

It should be noted however that at the same time, in the United Kingdom, that was a very important means of redeeming the national debt. In 1935, over 60 per cent of the United Kingdom national debt was financed through perpetual bonds whereas in Canada at the same time such bonds accounted all in all for only a limited fraction of the aggregate debt.

That is not without interest, and we should keep it in mind. As a matter of fact, as I said earlier, over 60 per cent of the United Kingdom debt was financed through that type of bonds, and I should specify what happened to them in the context of this period. Indeed both financial agencies and investors in the United Kingdom were perfectly aware of the implications and character of that kind of financing. Perpetual bonds were issued for the first time in the United Kingdom in 1853. That issue yielded an interest of 2½ per cent and was redeemable at par at government option at any time.

That issue was redeemed afterwards, and it can be remarked that in the whole history of the financing of the British debt, the 1883 issue was the largest ever. As a matter of fact, $257 million worth of bonds were issued in 1883 at an interest rate of 2½ per cent, redeemable at any time after April 5, 1923, and, of course, with an option or at the government's convenience, and I insist on the "government's convenience", because, Madam Speaker, that was one of the simplest ways of financing the public debt. In fact, when the bond bears a surrender date, the government may decide, depending on the fluctuation in interest rates, to redeem or not to redeem it. If the interest rates decline while the option is open, the government may choose to redeem the bond and refinance it at a lower rate. On the contrary, if the interest rate is very high, the government may simply leave the bond on the market and wait for a more favourable stock market situation.

It is thought that more than $3.5 billion in this type of bonds are still circulating on the financial market of England and are redeemable by the government at any time, whereas I pointed out earlier that the Canadian issue totals only $55 million. Immediately, Madam Speaker, one considers the different emphasis that we in Canada have laid over the years on this type of public investment to finance the public debt.

In the United Kingdom, as I mentioned a while ago, the most interesting of these issues are those that were floated to finance the war debt bearing interest at 2½ per cent, as well as another issue whose actual objective was to finance the war effort and which bore interest at 3½ per cent, transacted on the financial market bearing interests at the relatively high rates of 16½ and 23 per cent. Anyone can realize, Madam Speaker, that such a form of investment in England was truly popular.

And it is here that attention must be paid to the remarks of the mover. All the bonds involved are redeemable at the

option of the government. All English financial institutions that are still dealing with such bonds know perfectly well that the holders of these obligations are subject to having their bonds redeemed as soon as the government considers that the rates of interest are diminishing and that it is in a position to refinance its debt at a lower cost.

Because of the historical principle which is involved in the bargaining of bonds in the United Kingdom, it is always advantageous to redeem these bonds the moment the interest rate starts going down. I should like to quote one of the factors of this institution which I feel perfectly characterizes the action the government took in its news release dated March 18. The principle is as follows:

● (1620)

[*English*]

The underlying rationale of this was to minimize public debt charges in the interest of taxpayers in general. In other words, it is absolutely clear that options to redeem undated or perpetual bonds were there to protect taxpayers and not investors.

[*Translation*]

What I mean by that, Madam Speaker, is that the interest in the government buying back those bonds is primarily to protect the taxpayer. Indeed, if the government decided to buy back the bonds for which it has a purchase option at a time when the interest rate is very high, the taxpayer of this country would be paying for the higher cost of refunding the debt. British institutions always recognized that that element was not the bjective pursued in the issuance of perpetual bonds. It was rather to bring relief to the taxpayer who has to pay a higher interest to refund the public debt. I think that element is very important. I do not mean to say that the mover was not aware at the element, quite the contrary, he gave it an extension which I think does not exist in this case. That element is represented by the holders of those obligations.

We did some research to try and determine what type of people on the Canadian market still hold perpetual bonds today so as to know, s the hon. member pointed out, whether those holders were small savers, small investors, and whether they were actually suffering any real damage from the government's decision to buy back those bonds.

It became evident, Madam Speaker, early in 1974—those are the latest figures we have—that 41 per cent of bond holders hold bonds payable to the bearer, meaning that it is rather difficult to determine exactly what is the quality, the income or the financing position of the holder. It also became evident that out of the $55 million worth of bonds $33 million were held by 3,946 investors. So, $561,000 or about 1 per cent, are owned by the same investors who bought in 1936. So, only $561,000 out of $55 million are still in the hands of the same investors. I think the possibility that a majority of those bonds being held by older people is quite questionable, Madam Speaker, since as the records seem to show only 1.7 percent of holders are the same people who bought those bonds in 1936.

Moreover, it has been established that only four people own over 50 per cent of the total amount of $561,000, that is, nearly $260,000. These may be their only savings or financial resources, Madam Speaker, but in view of the importance of the amount, it is very unlikely that their circumstances are those which the hon. member described a while ago.

Finally, it has been established that out of the $33 million I mentioned earlier, $9 million have been held by the same investors since 1966, which means that two thirds of the total $55 million have been held by the same people since 1966. It is therefore very unlikely that these are senior people who are in the difficult circumstances the hon. member described a moment ago.

Therefore, I would like to stress that considerable changes have occurred since 1936 in the nature of perpetual bond holders. It is highly improbable these holders are elder people in a difficult revenue situation and therefore that they might suffer considerable loss when the government implements its decision to redeem the bonds in 1996.

Further, I would emphasize for the hon. member's benefit that the yield of these bonds since April 1974 compares favourably in my view with the prevailing market rates.

To illustrate, the interest rate was 8.33 per cent on April 30, 1974. It had decreased to 7.79 per cent in November 1974, it was up again to 8 per cent on February 28, 1975, that is three months ago, and since April 25, 1975 it has been 9 per cent.

Therefore, the return on these bonds to Canadian holders is in no way inferior to that on comparable bonds on the market. So it is highly improbable Canadian taxpayers will lose if the decision is implemented, as announced by the minister.

Quite the contrary, I believe that, according to the principles applied by British financial institutions, the government should take the opportunity of slumping interest rates to redeem bonds and refinance public debt, to the benefit of every Canadian taxpayer rather than that of one class of investors only.

[*English*]

Mr. Allan B. McKinnon (Victoria): Madam Speaker, I wish to add a few words to the debate in support of the motion of my friend and colleague, the hon. member for Don Valley (Mr. Gillies), who was referred to in the House the other day by the right hon. member for Prince Albert (Mr. Diefenbaker) as one of the outstanding economists of Canada. I should like to support this motion not only because I share the high opinion of the hon. member for Don Valley as expressed by the right hon. member for Prince Albert, but also for humanitarian reasons.

● (1630)

I should like to say to the hon. member for Maisonneuve-Rosemont (Mr. Joyal), who has just spoken so eloquently, that I am not interested in the proportion that is being held by contractors and used as security by banks, and I am not interested in that proportion held by people who know what they are doing in today's shifty financial world; rather I wish to speak for the original holders. I consider it quite unfair for the Minister of Finance (Mr. Turner) to say, as he did on March 19 when speaking of these bonds, that the yield is now 8.52 per cent, compared to 9.5 per cent on current government bonds.

The hon. member for Maisonneuve-Rosemont is trying to peddle the same line, but he should know there is no

such yield to the original purchaser. The yield to the original purchaser is 3 per cent, and when the bonds were put on the market in 1936 the purchasers bought them in good faith. If you were old enough to buy a bond in 1936, without doubt you are now old enough to be an old age pensioner. They bought the bonds believing in the financial credibility of the government, and I believe this government should be fiscally responsible even though 40 years have elapsed.

These poor people who are now drawing their old age pension have supplemented their income with this miserable three per cent return on their original investment. But the original investment was made with very hard dollars indeed. As pointed out by the hon. member for Don Valley, in those days a dollar was something to behold as far as purchasing power was concerned, compared to today's super inflated dollar.

An old age pensioner would need to hold $50,000 worth of bonds before realizing any net gain from having entrusted the government with that money. In 1936 almost no one had $50,000. Everyone who bought bonds in a lesser amount is now receiving no material benefit whatsoever. The reason is that 3 per cent of $50,000 comes to about $1,500 a year. An old age pensioner with an income of $1,500 a year does not receive the guaranteed income supplement and would have been just as well not to have bought the bonds at all. Some of them gave up a tremendous amount in real money because they trusted the government of the day. For the past nine years, since it became legal for the government to pay off these bonds, these people have been waiting for some action.

This spring the Minister of Finance did finally agree to do something but the measure he took was of little value to the people about whom I am concerned. That is why the hon. member for Don Valley divided his motion into parts in order to make a case for the original purchasers of the bonds. Surely we can do no more than give them back their original money's worth. I would strongly recommend to the members of the government that for once in their long reign over this country they treat these old age pensioners with equity.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I wish to say a few words in support of the plea made by the hon. member for Don Valley (Mr. Gillies). I found it rather amazing to listen to the argument put forward by the hon. member for Maisonneuve-Rosemont (Mr. Joyal). If he could persuade the people who own these bonds that they are really getting 8 per cent or 9 per cent, he should go into the public relations business. Of course if he could get the government to depress the value of those bonds to $10, then $3 would be 30 per cent, and if he could get the government to depress it to $3, the interest would be 100 per cent. That sounds ridiculous, but I suggest that the arguments put forward by the hon. member and the Minister of Finance (Mr. Turner) are just as ridiculous.

The plea made by the hon. member for Don Valley, and supported by the hon. member for Victoria (Mr. McKinnon), is not that a bonanza be given to speculators who picked up the bonds in recent years but rather that we protect the position of the original purchasers. There are others who purchased in the years shortly after 1936 who deserve some protection as well, and I think the hon. member for Don Valley has covered that very well in part (b) of his motion.

It seems to me that when the problem of these perpetual bonds finally became apparent to the Minister of Finance and he realized that he had to do something about them, there were two aspects to be considered.

One of the problems was that of the government itself. It is true that the bonds were perpetual. By all the dictionaries that means they would go on forever. But no government can rest easily with the idea of having bonds around forever and a day and a thousand years after that, so this government tried to find some way to get rid of the proposition.

The other aspect of the problem was the rights of the original holders and of those who obtained the bonds shortly after 1936.

Those were the two problems; one to get the government out of the business of perpetual bonds and the other, meet the needs and the rights of the holders of the bonds. The Minister of Finance came up with a clever idea to meet the first problem and get the government off the hook, but he has done nothing to meet the needs of the people who in good faith put their money in government bonds many years ago.

All the government has done is get itself out of the business. The other problem, namely, what to do for the people who hold the bonds, still stands. I think the hon. member for Don Valley is quite right in proposing this motion this afternoon.

I know we are continually fed the idea that when those people bought these bonds it was in the nature of a contract. That argument is advanced as well on the matter of government annuities. But, Madam Speaker, there are other bonds and investments concerning which the terms have been re-written. We have escalation of pensions of all kinds; Canada savings bonds have been improved so that there is more interest than was in the original contract. So I think it is unfair to discriminate against the holders of annuities and against those who bought these perpetual bonds in 1936.

Accordingly, Madam Speaker, I want to indicate full support for the position taken today by the hon. member for Don Valley.

The Acting Speaker (Mrs. Morin): The hon. member for Vancouver-Kingsway (Mrs. Holt).

Mr. Dinsdale: The voice of the little people now.

Mrs. Simma Holt (Vancouver-Kingsway): That's right; Madam Speaker.

The motion in the name of the hon. member for Don Valley (Mr. Gillies) embraces proposals which have been enunciated in the House for some time. Were it possible to find the original investors and authenticate those people who invested in Canada in its time of trouble, I would say certainly we should redeem these bonds immediately, or in 1976, 30 years later, instead of 60 years later.

● (1640)

If the argument the hon. member put forward was on humanitarian grounds, I suggest that there are other ways of using this $55 million. I would go even further and perhaps disagree with hon. members on this side of the House, and eliminate OFY grants and LIP grants, and use that money for the aged to travel and to make their golden years rich. I agree that they did invest, but we must remember that they invested at a time of doubt, when Canada was not secure and when, as the hon. member for Don Valley said, there was distrust in banks. At that time people took risks and gambled.

I would very much like to find other ways of using Canadian dollars for housing for the aged and for those who gambled in Canada's future, for travel, marketplace subsidies, and many more practical and realistic things, but it is virtually impossible for the fiscal agents of the government to determine the original purchasers. Those are the ones about whom we should be concerned. It is impossible for many reasons.

Only about 41 per cent of the issue is held in bearer form. Some original purchasers may have opted for bonds in registered form subsequent to their original purchase date. The date of registration would then have to be regarded as a date of purchase unless proof could be provided to the contrary. Some original purchasers could have switched from registered to bearer bonds, and have traded subsequently in the market. Bonds currently held by them could therefore have been purchased at prices below issue price.

There is another reason that it would be impossible to find the original purchasers. A requirement for proof of purchase would discriminate against investors holding bonds in bearer form in comparison with registered bond holders who have retained their bonds in this form since 1936. Many of the original bond holders are no longer alive, with the obligations being presently held in their estates, or with ownership transferred to their beneficiaries. Since these beneficiaries have not held these obligations since the issue date and have not personally suffered any hardship due to the low level of interest income or reduced market value of these securities, it would be necessary but invidious to determine whether such bonds should be redeemed at full face value.

Another difficulty is that the proposals will not compensate investors who sold or were obliged to sell at recent price levels below cost, although they may have held bonds for many years.

If compensation were to be paid, investors who purchased subsequent to the issue date—and in the words of the hon. member for Don Valley, "according to the market price for the year in which the bonds were purchased"—it would require proof of date of purchase and of price, since the records do not contain such information. Many investors would not now have purchase invoices and could therefore justly claim discrimination in favour of those investors who have retained these records, which would need corroboration in any case. If investors were not able to prove date of purchase it would be exceptionally difficult to determine on what basis compensation should be calculated.

Perpetual Bonds

The government may offer to purchase bonds at prices below par value, but it cannot compel a holder to redeem the bonds at any price below par value.

It would not be possible to compel bond holders who purchased their bonds after the issue date to redeem their bonds at some level based on the market price in the year of purchase. Bond holders wishing to retain their investment would, in effect, be obliged to accept a price which has been frozen should they wish to sell at a later date. This would be unacceptable to a large number of investors.

There are many investors who have purchased perpetual bonds in recent years because of their attractive market yields. These investors may not wish to redeem these obligations. A sudden freeze in price, and consequently the reduced marketability of the bonds, will therefore be discriminatory.

Various governments have from time to time reviewed their policies with respect to the 1936 issue, but all have consistently reached the conclusion that it would not have been generally in the nation's best interest to redeem or to fix a maturity date on these obligations. The sharp increase in the level of interest rates has again necessitated a reconsideration of this matter and, in particular, the reconsideration of possible ways in which the alleged hardships by a minority of investors could be alleviated.

Although the 1936 perpetual bond issue is unique, a change in yield or an offer of immediate redemption will contain the undoubted implication that holders of marketable government securities ought to be and are protected from the vagaries of the market. The encouragement or acceptance of such a principle, even in circumstances designed to alleviate hardships, would lead to demands for similar treatment by other investors in marketable securities of the government, the vast majority of which are now trading well below issue prices.

It may be argued that the adjustments in the rates on Canada Savings Bonds have already breached this principle. This is not, however, the case, since one of the essential features of the Canada Savings Bonds is the unfettered right conferred upon the holder to redeem the bonds for cash in full at any time.

Having regard to all the circumstances and, although not necessarily to the current advantage of taxpayers, the Minister of Finance (Mr. Turner) announced on March 18, 1975, that the 1936 issue of perpetual bonds would be redeemed at par on September 15, 1996. Legal process will be completed by June 7, at which time the Government of Canada will be irrevocably committed by law to redeem the bonds in 1996. Prior to the announcement, the bonds were quoted at $37.25 per $100 for a yield of 8 per cent in perpetuity. At the present time the bonds are trading at a price of about $45.25 for a yield of 8.67 per cent to maturity. This yield is now comparable to any other long term Government of Canada marketable issues. I therefore stand against the proposal, and I wish that this money and other moneys could be used to better benefit pensioners, if that is truly the concern of the hon. member for Don Valley.

Mr. Lloyd Francis (Ottawa West): Madam Speaker, I certainly do not want to be the one responsible for talking

this matter out. There are only one or two points I wish to make.

I think the measures announced by the Minister of Finance (Mr. Turner) do not meet the problem. The real difficulty lies in the fact that the big, sophisticated investor and those who had bonds and securities, have unloaded them. The people holding bonds are the little people, and those are the people who should be helped. I think the motion is a good one.

Some hon. Members: Hear, hear!

Mr. Francis: I would like to make one suggestion which I hope the Minister of Finance will consider. In addition to the redemption date there should be an annual sinking fund. I think the Government of Canada should go into the open market and buy a certain number of these debentures each year. The effect will be to improve their price and reduce the supply on the market. As the debentures and perpetual bonds reach maturity, they would come much closer to their face value. It would be a very inexpensive measure compared with the figures dealt with in the budget of the Minister of Finance. But it would be a simple equity to the people who are deprived of their confidence in the government. Those people are mostly elderly people who did not know enough about the operation of financial markets to unload these bonds before they reached the disgraceful point at which they are now.

● (1650)

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I should like to make a few comments on this question.

An hon. Member: Why don't you sit down?

Mr. Milne: Madam Speaker, I wish to speak on this subject, not because I have a financial background, nor because I am possessed of financial wizardry, as is the hon. member for Don Valley (Mr. Gillies), nor because I have established a reputation in the financial world, as has the hon. member for York-Simcoe (Mr. Stevens), but because I am concerned about it. This concern has been communicated to me in a number of letters. I think most members have received letters in response to the advertisement which was placed in the newspapers and which announced that the government will redeem these bonds in 1996 at par.

The point I make is this: where does one draw the limits, if one wants to be fair? I have listened to a number of solutions put forward by hon. members who spoke in support of this motion. Although their suggestions, if followed, might help to solve the problem for a number of people, they would only create problems for others. Unless the government could buy out the issue, I do not see where the difficulties could end. As I say, I have no background in finance and I am not a lawyer. But I have talked to a number of people knowledgeable in this subject who have practised law and who have settled the estates of rural people. Actually, I think we are talking about only some relatively small investments which many of our senior citizens possess.

[Mr. Francis.]

If you talk to lawyers who deal with people's estates, particularly in rural areas, you will find that people possess a number of bonds which relate to utilities on which the interest rate is even lower than on the bonds we are considering. Certainly people many years ago bought bonds associated with railway projects, and with projects in which the government participated. Many of those bonds are almost worthless now. How are you to deal with such people? Some of them have been hurt badly as a result of investing in the investment climate of those days. They were hurt when they tried to reach for a star in a period of economic hardship. Are we to ignore this large group and show concern only for 148 people? I do not think anyone has said so far that there are only 148 bond holders left of the original number in 1936 who bought these bonds. Only 148 people hold these outstanding bonds. Suppose you do redeem these bonds, as some suggest, what are you to do about those who purchased bonds in 1937 and 1938?

It is difficult to define limits. For example, I suggest that members who have met constituents in their ridings in connection with the $500 first-time housebuyer program announced in this House and the $1,500 Ontario program which is aimed at the same end will know how hard it is to define the date on which the program was to start and the conditions which limit the program.

How would the proposal of the hon. member for Don Valley be carried out? How can we do what he suggests and be fair with other people? How can we deal fairly with people who held these bonds in the 1930s and the 1940s?

Mr. Gillies: Look at section (b) of the motion.

Mr. Milne: Frankly, I do not know how you can validate the period in time at which these people purchased these bonds. Perhaps the difficulty would not be so great if the date of purchase could be verified, if it had been recorded—

Mr. Gillies: Read section section (b) of the motion.

Mr. Milne: I have read it. I suggest that the hon. member, in his argument, did not say how he would handle this problem. I find that difficult to understand. I have all the sympathy in the world for those affected by the motion, and I agree with much that has been said on this subject, but I have yet to hear clearly how this suggestion is to be implemented.

I think the argument was advanced by the mover of the motion that, essentially, you would deal with the original purchasers. Again I say there are only 148 of those original purchasers left. Then it was argued, subsequently, that this provision should be extended to those who have held these bonds for nearly as long as the original purchasers. That is the point. How can you determine this?

Mr. Gillies: Will the hon. member permit a question? Does the hon. member not think that section (b) of the motion deals with that particular problem?

Mr. Milne: That is the very point I was making: how does one validate the dates and the length of time for which people have held these bonds? Are you to take their word? How are you to do this? That is the entire problem.

Mr. Gillies: All you need do is look at the bond register.

Mr. Milne: With respect, I do not think so. If there were some way of accurately knowing for what length of time people held these bonds, in the late 1930s or early 1940s, I could accept the hon. member's argument. We do not know for how long present holders have held the bonds.

I understand the hon. member for Vancouver Kingsway (Mrs. Holt) argued that there is no register, that there is no way to validate who held these bonds, and for how long. I am just arguing the case. I merely want to know how you are to treat fairly those people who held the bonds in the 1930s and 1940s.

There was also some question as to how good a value these bonds are. I was advised not long ago that there have been some sales, that there had been some movement of these bonds, and this puzzles me. If they are as bad a buy as some say, why would people given present day economic conditions be buying them?

Mr. Gillies: They are speculating.

Mr. Milne: If they are speculators, that is fine.

Mr. Douglas (Nanaimo-Cowichan-The Islands): They are paying 38 cents on the dollar.

Mr. Milne: I am merely trying to argue that perhaps the yield is not over 8 per cent. I do not follow the mathematics of this business and do not know if I am correct. I think the Minister of Finance (Mr. Turner) has looked at this problem; I think perhaps more than half the members of this House have talked to him about this particular problem, or they have written to him. Some have met with him, in the company of other members.

Perpetual Bonds

Let me indicate that I am in favour of some solution to this problem. I should be only too happy to respond favourably to my constituents who have written to me about this matter if there were some way—I am sure the Minister of Finance has said this too—to deal equitably with all those people who today hold those bonds, the maturity date of which is, as set out in the advertisement, 1996. To this day I have not heard how this problem is to be solved, except for those 148 previously alluded to. What are you to do with regard to the people who have held these bonds for almost as long as the original investors, who have incurred as great a penalty in their investment portfolio as the original investors, but whose length of possession cannot be validated?

I sympathize with those who mean well. But I suggest that many who bought investments in those days gone by may well have misunderstood the nature of these bonds.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Milne: Some may have thought that the bonds had no maturity date but were recallable. Probably a number of Canadian investors incorrectly assumed that the bonds would mature after 30 years. When the government decided not to exercise its call option, new certificates were issued, and now of course we have 30 years to wait before the government will call them.

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

Mr. Prud'homme: Madam Speaker—

The Acting Speaker (Mrs. Morin): The hour set aside for private members business having expired and it being five o'clock, I do now leave the chair.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME V